

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017
FOR
SRS RAIL SYSTEM (HOLDINGS) LIMITED**

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SRS RAIL SYSTEM (HOLDINGS) LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 30 April 2017

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Statement of Comprehensive Income	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Changes in Equity	9
Company Statement of Changes in Equity	10
Consolidated Cash Flow Statement	11
Notes to the Consolidated Cash Flow Statement	12
Notes to the Consolidated Financial Statements	13
Consolidated Trading and Profit and Loss Account	23

SRS RAIL SYSTEM (HOLDINGS) LIMITED

COMPANY INFORMATION
for the Year Ended 30 April 2017

DIRECTORS:

Major N J Whatley
Mr R M Whatley
Mr S J Whatley
Mr J D N Rooke

REGISTERED OFFICE:

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

REGISTERED NUMBER:

03046824 (England and Wales)

AUDITORS:

Pesters (Chartered Certified Accountants and
Statutory Auditors)
2 Park Court
Pyrford Road
West Byfleet
Surrey
KT14 6SD

SRS RAIL SYSTEM (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT for the Year Ended 30 April 2017

The directors present their strategic report of the company and the group for the year ended 30 April 2017.

REVIEW OF BUSINESS

The Board of Directors are satisfied with the results for the financial period. There has been a large increase in the turnover in the period and profits for the group are £1,400,904. The Group's balance sheet remains strong with distributable reserves increasing from £9,007,422 to £10,050,621 this year.

Cash reserves to fund future investment remain good and the directors are confident that profitability will be maintained for the foreseeable future.

Gross margins have fallen slightly during the financial period but this is more than offset by the increase in trading activity and the gross profit resulting from this.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the group continue to be those of trading in a restricted market where prices and margins can be influenced by political pressures. However, the Directors are still of the opinion that their strategic plans are enabling them to meet these challenges and the results in the year confirm their assertions.

The Group continues to maintain the importance of providing clients with a high quality specialist hire fleet.

FUTURE DEVELOPMENTS

The group intends to continue to build upon its' core base of providing high quality hire services. In order to increase capacity the group will continue its' policy of fleet expansion and is looking to expand further into foreign markets.

The group's ability to continue to provide an efficient and reliable specialist hire service is the key to its' continuing success. It considers that this is a key element in differentiating itself from other limited competitors in the market. The model is continually monitored and is incorporated into its' future expansion plans.

FINANCIAL STATEMENTS

The accounts can be obtained by any person entitled to them by writing to the registered office shown on the information page of these accounts.

ON BEHALF OF THE BOARD:



Mr S J Whatley - Director

4 October 2017

SRS RAIL SYSTEM (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 April 2017

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2017.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the provision of specialist services to the railway industry.

DIVIDENDS

Interim dividends totalling £66,667 were paid during the period.

FUTURE DEVELOPMENTS

The Group is confident that with trading activity being planned for two new trading subsidiaries, the overall financial position of the Group will continue to strengthen.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 May 2016 to the date of this report.

The beneficial interests of the directors holding office at 30 April 2017 in the shares of the company, according to the register of directors' interests, were as follows:

	30.4.17	1.5.16
Ordinary shares of £1 each		
Major N J Whatley	46,999	46,999
Mr R M Whatley	17,725	17,725
Mr S J Whatley	17,725	17,725
Mr J D N Rooke	4,550	4,550

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 group'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 group's auditors are aware of that information.

SRS RAIL SYSTEM (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 30 April 2017

AUDITORS

The auditors, Pestors (Chartered Certified Accountants and, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'S J Whatley', written in a cursive style.

Mr S J Whatley - Director

4 October 2017

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

We have audited the financial statements of SRS Rail System (Holdings) Limited for the year ended 30 April 2017 on pages six to twenty two. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 and express an opinion on 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 group's and the parent 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2017 and of the group's profit 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.

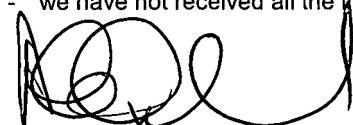
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Pesters (Chartered Certified Accountants and
Statutory Auditors)
2 Park Court
Pyrford Road
West Byfleet
Surrey
KT14 6SD

Date: 5/10/17

SRS RAIL SYSTEM (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 April 2017

	Notes	30.4.17 £	30.4.16 £
TURNOVER		16,104,455	14,883,387
Cost of sales		<u>(8,241,374)</u>	<u>(6,815,092)</u>
GROSS PROFIT		7,863,081	8,068,295
Administrative expenses		<u>(6,460,887)</u>	<u>(5,755,729)</u>
		1,402,194	2,312,566
Other operating income		<u>5,498</u>	<u>13,281</u>
OPERATING PROFIT	4	1,407,692	2,325,847
Interest payable and similar expenses	5	<u>(6,786)</u>	<u>(14,696)</u>
PROFIT BEFORE TAXATION		1,400,906	2,311,151
Tax on profit	6	<u>(292,707)</u>	<u>(426,453)</u>
PROFIT FOR THE FINANCIAL YEAR		1,108,199	1,884,698
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,108,199</u>	<u>1,884,698</u>
Profit attributable to: Owners of the parent		<u>1,108,199</u>	<u>1,884,698</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,108,199</u>	<u>1,884,698</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
30 April 2017

	Notes	30.4.17 £	30.4.16 £
FIXED ASSETS			
Intangible assets	9	609	1,394
Tangible assets	10	3,557,495	3,893,170
Investments	11	-	-
		<u>3,558,104</u>	<u>3,894,564</u>
CURRENT ASSETS			
Stocks	12	40,447	44,967
Debtors	13	3,491,227	4,143,921
Cash at bank		5,100,616	4,946,020
		<u>8,632,290</u>	<u>9,134,908</u>
CREDITORS			
Amounts falling due within one year	14	1,600,108	3,363,823
NET CURRENT ASSETS		<u>7,032,182</u>	<u>5,771,085</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,590,286</u>	<u>9,665,649</u>
CREDITORS			
Amounts falling due after more than one year	15	-	(77,227)
PROVISIONS FOR LIABILITIES	18	(433,332)	(474,667)
NET ASSETS		<u>10,156,954</u>	<u>9,113,755</u>
CAPITAL AND RESERVES			
Called up share capital	19	90,000	90,000
Share premium	20	6,333	6,333
Capital redemption reserve	20	10,000	10,000
Retained earnings	20	10,050,621	9,007,422
SHAREHOLDERS' FUNDS		<u>10,156,954</u>	<u>9,113,755</u>

The financial statements were approved by the Board of Directors on 4 October 2017 and were signed on its behalf by:



Mr R M Whatley - Director

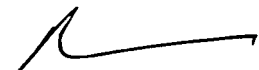


Mr S J Whatley - Director

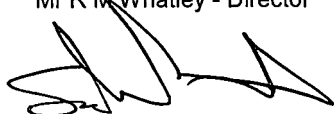
COMPANY BALANCE SHEET
30 April 2017

	Notes	30.4.17 £	£	30.4.16 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		20,200		20,200
			<u>20,200</u>		<u>20,200</u>
CURRENT ASSETS					
Debtors	13	23,620		23,620	
Cash at bank		18,588		25,120	
		<u>42,208</u>		<u>48,740</u>	
CREDITORS					
Amounts falling due within one year	14	96,287		72,487	
		<u>96,287</u>		<u>72,487</u>	
NET CURRENT LIABILITIES			<u>(54,079)</u>		<u>(23,747)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(33,879)</u>		<u>(3,547)</u>
CAPITAL AND RESERVES					
Called up share capital	19		90,000		90,000
Share premium	20		6,333		6,333
Capital redemption reserve	20		10,000		10,000
Retained earnings	20		(140,212)		(109,880)
SHAREHOLDERS' FUNDS			<u>(33,879)</u>		<u>(3,547)</u>
Company's profit for the financial year			<u>34,669</u>		<u>66,337</u>

The financial statements were approved by the Board of Directors on 4 October 2017 and were signed on its behalf by:



Mr R M Whatley - Director



Mr S J Whatley - Director

SRS RAIL SYSTEM (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 April 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 May 2015	90,000	7,189,391	6,333	10,000	7,295,724
Changes in equity					
Dividends	-	(66,667)	-	-	(66,667)
Total comprehensive income	-	1,884,698	-	-	1,884,698
Balance at 30 April 2016	<u>90,000</u>	<u>9,007,422</u>	<u>6,333</u>	<u>10,000</u>	<u>9,113,755</u>
Changes in equity					
Dividends	-	(65,000)	-	-	(65,000)
Total comprehensive income	-	1,108,199	-	-	1,108,199
Balance at 30 April 2017	<u>90,000</u>	<u>10,050,621</u>	<u>6,333</u>	<u>10,000</u>	<u>10,156,954</u>

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY**
for the Year Ended 30 April 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 May 2015	90,000	(109,550)	6,333	10,000	(3,217)
Changes in equity					
Dividends	-	(66,667)	-	-	(66,667)
Total comprehensive income	-	66,337	-	-	66,337
Balance at 30 April 2016	<u>90,000</u>	<u>(109,880)</u>	<u>6,333</u>	<u>10,000</u>	<u>(3,547)</u>
Changes in equity					
Dividends	-	(65,001)	-	-	(65,001)
Total comprehensive income	-	34,669	-	-	34,669
Balance at 30 April 2017	<u>90,000</u>	<u>(140,212)</u>	<u>6,333</u>	<u>10,000</u>	<u>(33,879)</u>

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30 April 2017

	Notes	30.4.17 £	30.4.16 £
Cash flows from operating activities			
Cash generated from operations	1	1,265,361	3,908,099
Interest element of hire purchase payments paid		(6,786)	(14,696)
Tax paid		(602,570)	(603,048)
Net cash from operating activities		656,005	3,290,355
Cash flows from investing activities			
Purchase of tangible fixed assets		(305,943)	(1,139,696)
Sale of tangible fixed assets		13,000	21,282
Net cash from investing activities		(292,943)	(1,118,414)
Cash flows from financing activities			
Capital repayments in year		(178,801)	(58,760)
Amount introduced by directors		45,786	-
Amount withdrawn by directors		(10,451)	(45,786)
Equity dividends paid		(65,000)	(66,667)
Net cash from financing activities		(208,466)	(171,213)
Increase in cash and cash equivalents		154,596	2,000,728
Cash and cash equivalents at beginning of year	2	4,946,020	2,945,292
Cash and cash equivalents at end of year	2	5,100,616	4,946,020

The notes form part of these financial statements

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 30 April 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.4.17	30.4.16
	£	£
Profit before taxation	1,400,906	2,311,151
Depreciation charges	635,125	548,165
(Profit)/loss on disposal of fixed assets	(5,722)	7,039
Rounding adjustment	-	(2)
Finance costs	6,786	14,696
	2,037,095	2,881,049
Decrease/(increase) in stocks	4,520	(15,194)
Decrease/(increase) in trade and other debtors	620,561	(520,027)
(Decrease)/increase in trade and other creditors	(1,396,815)	1,562,271
Cash generated from operations	1,265,361	3,908,099

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	5,100,616	4,946,020

Year ended 30 April 2016

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	4,946,020	2,945,292

1. STATUTORY INFORMATION

SRS Rail System (Holdings) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated accounts are prepared under the equity method of consolidation. All subsidiaries are included in the consolidated accounts.

Significant judgements and estimates

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimate and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Simple financial instruments of less than one year are recognised at cost as this is deemed to be fair value. There are no items that require a significant estimation uncertainty.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

It is recognised as services are provided.

Intangible fixed assets

Amortisation is provided at the following annual rates in order to write off each asset over its estimated useful life

Trade Marks	- 10% on cost
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Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Specialist Rail Vehicles	- 10% on cost and 5% on cost

The gross amount of fixed assets are shown at historical cost as management consider this to be fair value.

Capitalised costs of Specialist Inspection Vehicles include all associated costs incurred in bringing vehicles to their current locations and conditions.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss over the relevant period. The capital element of the future liability is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss on a straight line basis over the period of the lease.

Assets that are held by Company under leases which transfer to the Company substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Company are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs (see the accounting policy above). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Pension costs and other post-retirement benefits

The Company operates a self administered defined contribution scheme. The assets of the scheme are held separately from those of the company. Contributions for the year are charged in the profit and loss account.

Specialist vehicles

Capitalised costs of Specialist Inspection Vehicles include all associated costs incurred in bringing vehicles to their current locations and conditions.

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

3. EMPLOYEES AND DIRECTORS

	30.4.17	30.4.16
	£	£
Wages and salaries	4,569,053	4,113,937
Social security costs	530,553	468,205
Other pension costs	48,305	30,259
	<u>5,147,911</u>	<u>4,612,401</u>

The average monthly number of employees during the year was as follows:

	30.4.17	30.4.16
Office and Management	11	10
Direct Labour	87	77
	<u>98</u>	<u>87</u>

The average number of employees by undertakings that are proportionately consolidated during the year was 98 (2016 - 87).

	30.4.17	30.4.16
	£	£
Directors' remuneration	-	-

The number of directors to whom retirement benefits were accruing was as follows:

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.4.17	30.4.16
	£	£
Hire of plant and machinery	266,283	226,992
Other operating leases	3,039	18,602
Depreciation - owned assets	634,340	466,501
Depreciation - assets on hire purchase contracts	-	80,878
(Profit)/loss on disposal of fixed assets	(5,722)	7,039
Trade Marks amortisation	785	784
Auditors' remuneration	21,260	22,000
Auditors' remuneration for non audit work	28,516	16,720
Foreign exchange differences	<u>172,135</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.4.17	30.4.16
	£	£
Hire purchase	<u>6,786</u>	<u>14,696</u>

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	30.4.17 £	30.4.16 £
Current tax:		
UK corporation tax	<u>334,042</u>	<u>436,900</u>
Deferred tax:		
Reversal of Timing Differences	(39,436)	10,887
Differences in Tax Rates	<u>(1,899)</u>	<u>(21,334)</u>
Total deferred tax	<u>(41,335)</u>	<u>(10,447)</u>
Tax on profit	<u><u>292,707</u></u>	<u><u>426,453</u></u>

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	30.4.17 £	30.4.16 £
Interim	<u><u>65,000</u></u>	<u><u>66,667</u></u>

9. INTANGIBLE FIXED ASSETS

Group

	Trade Marks £
COST	
At 1 May 2016	
and 30 April 2017	<u>7,846</u>
AMORTISATION	
At 1 May 2016	6,452
Amortisation for year	<u>785</u>
At 30 April 2017	<u>7,237</u>
NET BOOK VALUE	
At 30 April 2017	<u><u>609</u></u>
At 30 April 2016	<u><u>1,394</u></u>

Intangible Fixed Assets have been valued at cost.

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

10. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Motor vehicles £	Specialist Rail Vehicles £	Totals £
COST				
At 1 May 2016	855,764	339,528	6,933,903	8,129,195
Additions	80,544	185,400	39,999	305,943
Disposals	-	(29,100)	-	(29,100)
At 30 April 2017	936,308	495,828	6,973,902	8,406,038
DEPRECIATION				
At 1 May 2016	389,787	162,426	3,683,812	4,236,025
Charge for year	128,483	49,909	455,948	634,340
Eliminated on disposal	-	(21,822)	-	(21,822)
At 30 April 2017	518,270	190,513	4,139,760	4,848,543
NET BOOK VALUE				
At 30 April 2017	418,038	305,315	2,834,142	3,557,495
At 30 April 2016	465,977	177,102	3,250,091	3,893,170

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £	Specialist Rail Vehicles £	Totals £
COST			
At 1 May 2016	104,129	600,002	704,131
Transfer to ownership	(104,129)	(600,002)	(704,131)
At 30 April 2017	-	-	-
DEPRECIATION			
At 1 May 2016	50,437	160,500	210,937
Transfer to ownership	(50,437)	(160,500)	(210,937)
At 30 April 2017	-	-	-
NET BOOK VALUE			
At 30 April 2017	-	-	-
At 30 April 2016	53,692	439,502	493,194

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

11. FIXED ASSET INVESTMENTS

Company	Unlisted investments £
COST	
At 1 May 2016 and 30 April 2017	<u>20,200</u>
NET BOOK VALUE	
At 30 April 2017	<u>20,200</u>
At 30 April 2016	<u>20,200</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

SRS Rail System Limited

Registered office: Unit 3 Riverside Way, Gateway Business Park, Bolsover, Chesterfield, Derbyshire S44 6GA.
Nature of business: Providing specialist rail services

	% holding	30.4.17	30.4.16
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>10,646,245</u>	<u>9,691,175</u>
Profit for the year		<u>1,431,339</u>	<u>2,311,511</u>

SRS Rail System International Limited

Registered office: Unit 3 Riverside Way, Gateway Business Park, Bolsover, Chesterfield, Derbyshire, S44 6GA.
Nature of business: Specialist vehicle hire and sales

	% holding	30.4.17	30.4.16
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>(1,981)</u>	<u>(1,877)</u>
Loss for the year		<u>(104)</u>	<u>(31)</u>

SRS Rail Systems International Hire Limited

Registered office: Unit 3 Riverside Way, Gateway Business Park, Bolsover, Chesterfield, Derbyshire, S44 6GA
Nature of business: Specialist vehicle hire and sales

	% holding	30.4.17	30.4.16
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		<u>100</u>	<u>100</u>

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

12. STOCKS

	Group	
	30.4.17	30.4.16
	£	£
Stocks	40,447	44,967

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.17	30.4.16	30.4.17	30.4.16
	£	£	£	£
Trade debtors	3,112,994	3,903,582	-	-
Due From Related Company	23,622	23,620	23,620	23,620
Directors' current accounts	10,451	45,786	-	-
Tax	3,202	-	-	-
Prepayments and accrued income	340,958	170,933	-	-
	3,491,227	4,143,921	23,620	23,620

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.4.17	30.4.16	30.4.17	30.4.16
	£	£	£	£
Hire purchase contracts (see note 16)	-	101,574	-	-
Trade creditors	441,127	1,221,289	-	-
Tax	171,574	436,900	-	-
Social security and other taxes	448,332	418,293	-	-
VAT	211,400	935,597	-	-
Due To Related Company	-	-	96,287	72,487
Accruals and deferred income	327,675	250,170	-	-
	1,600,108	3,363,823	96,287	72,487

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	30.4.17	30.4.16
	£	£
Hire purchase contracts (see note 16)	-	77,227

SRS RAIL SYSTEM (HOLDINGS) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	30.4.17	30.4.16
	£	£
Gross obligations repayable:		
Within one year	-	106,610
Between one and five years	-	79,990
	<u>-</u>	<u>186,600</u>
Finance charges repayable:		
Within one year	-	5,036
Between one and five years	-	2,763
	<u>-</u>	<u>7,799</u>
Net obligations repayable:		
Within one year	-	101,574
Between one and five years	-	77,227
	<u>-</u>	<u>178,801</u>

Group

	Non-cancellable operating leases	
	30.4.17	30.4.16
	£	£
Within one year	95,647	95,647
Between one and five years	151,441	247,088
	<u>247,088</u>	<u>342,735</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	30.4.17	30.4.16
	£	£
Hire purchase contracts	-	178,801

Hire purchase and finance lease liabilities are secured on standard commercial terms on all vehicles subject to finance agreements. The company's bankers have an unlimited debenture dated 21/10/2009 incorporating a fixed and floating charge.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

18. PROVISIONS FOR LIABILITIES

	Group	
	30.4.17	30.4.16
	£	£
Deferred tax		
Accelerated capital allowances	(39,436)	10,887
Other timing differences	(1,899)	(21,334)
Deferred tax	<u>474,667</u>	<u>485,114</u>
	<u>433,332</u>	<u>474,667</u>
Group		
		Deferred tax
		£
Balance at 1 May 2016		474,667
Timing Differences		(39,436)
Accelerated Capital Allowances		<u>(1,899)</u>
Balance at 30 April 2017		<u>433,332</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.4.17	30.4.16
			£	£
90,000	Ordinary	£1	<u>90,000</u>	<u>90,000</u>

All shares have equal rights with respect to voting, dividends and the repayment of capital.

20. RESERVES**Group**

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 May 2016	9,007,422	6,333	10,000	9,023,755
Profit for the year	1,108,199			1,108,199
Dividends	(65,000)			(65,000)
At 30 April 2017	<u>10,050,621</u>	<u>6,333</u>	<u>10,000</u>	<u>10,066,954</u>

Company

	Retained earnings	Share premium	Capital redemption reserve	Totals
	£	£	£	£
At 1 May 2016	(109,880)	6,333	10,000	(93,547)
Profit for the year	34,669			34,669
Dividends	(65,001)			(65,001)
At 30 April 2017	<u>(140,212)</u>	<u>6,333</u>	<u>10,000</u>	<u>(123,879)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 30 April 2017

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30 April 2017 and 30 April 2016:

	30.4.17 £	30.4.16 £
S J Whatley		
Balance outstanding at start of year	45,768	-
Amounts advanced	70,841	45,768
Amounts repaid	(107,367)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>9,242</u>	<u>45,768</u>
R M Whatley		
Balance outstanding at start of year	-	-
Amounts advanced	600	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>600</u>	<u>-</u>

At the year end Mr S J Whatley owed the sum of £9,242 (2016 - £45,786). Beneficial Loan Interest has been paid on this loan at 3%, and the loan has been repaid within 9 months of the year end. Mr R M Whatley owed the company the sum of £600. Interest has not been paid on this loan, and it has been repaid within 9 months of the year end.

22. RELATED PARTY DISCLOSURES

Entities over which the entity has control, joint control or significant influence

	30.4.17 £	30.4.16 £
Purchases	<u>-</u>	<u>296,501</u>

Key management personnel of the entity or its parent (in the aggregate)

	30.4.17 £	30.4.16 £
Commission	<u>2,472</u>	<u>2,406</u>

Other related parties

	30.4.17 £	30.4.16 £
Purchases	<u>-</u>	<u>96,827</u>

23. ULTIMATE CONTROLLING PARTY

The controlling party is Major N J Whatley.

24. REMUNERATION TRUST

By a deed dated 30th March 2011, the subsidiary company SRS Rail Systems Limited adhered to a Remuneration Trust. During the accounting period the company gifted £3,197,680 (2016 - £2,866,012) to the Trust. No taxation liability arose to the Company as a result of such transaction.

SRS RAIL SYSTEM (HOLDINGS) LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 30 April 2017

	30.4.17		30.4.16	
	£	£	£	£
Turnover				
Vehicle Hire		16,104,455		14,883,387
Cost of sales				
Opening stock	44,967		29,773	
Vehicle Repair Costs	1,486,580		682,975	
Sub-contractor Charges	1,409,348		1,239,149	
Wages	4,205,353		3,808,911	
Social security	493,039		436,780	
Pensions	48,305		30,259	
Hire of plant and machinery	262,215		224,802	
Other Vehicle Costs	329,542		405,004	
Commission Paid	2,472		2,406	
	<u>8,281,821</u>		<u>6,860,059</u>	
Closing stock	(40,447)		(44,967)	
		<u>8,241,374</u>		<u>6,815,092</u>
GROSS PROFIT		7,863,081		8,068,295
Other income				
Other Income	822		355	
Interest received	4,676		12,926	
		<u>5,498</u>		<u>13,281</u>
		7,868,579		8,081,576
Expenditure				
Hire of plant and machinery	4,068		2,190	
Rent	105,016		96,827	
Rates and water	22,047		20,324	
Insurance	333,192		293,800	
Light and heat	21,271		18,681	
Premises Expenses	26,707		17,516	
Wages	363,700		305,026	
Social security	37,514		31,425	
Telephone	35,550		39,970	
Post and stationery	24,787		18,565	
Journals & Subscriptions	13,384		7,404	
Motor expenses	123,170		82,884	
Medical Costs	9,928		10,434	
Staff Training	45,050		52,723	
Repairs and renewals	15,294		9,842	
Security Costs	7,096		4,337	
HMRC Interest	7,255		-	
Protective Clothing	51,334		42,573	
Sundry expenses	22,935		27,176	
Office Administration	12,948		11,726	
Pension Administration Costs	33,500		48,609	
Professional Fees	17,316		25,235	
Consultancy Fees	450		40,235	
Contributions into a remuneration trust	3,197,680		2,866,012	
Recruitment Expenses	23,018		-	
Legal fees	29,188		8,357	
Management Fees	75,041		296,501	
Auditors' remuneration	21,260		22,000	
	<u>4,679,699</u>	<u>7,868,579</u>	<u>4,400,372</u>	<u>8,081,576</u>
Carried forward				

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SRS RAIL SYSTEM (HOLDINGS) LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 30 April 2017

	30.4.17		30.4.16	
	£	£	£	£
Brought forward	4,679,699	7,868,579	4,400,372	8,081,576
Auditors' remuneration for non audit work	28,516		16,720	
Foreign exchange losses	172,135		-	
Other operating leases	3,039		18,602	
Advertising & Promotion	50,642		28,045	
Entertainment	551		-	
Travelling & Accommodation	888,963		731,341	
		5,823,545		5,195,080
		2,045,034		2,886,496
Finance costs				
Bank charges	6,229		5,445	
Credit card	1,710		-	
Hire purchase	6,786		14,696	
		14,725		20,141
		2,030,309		2,866,355
Depreciation				
Trade Marks	785		785	
Plant and machinery	128,483		125,731	
Motor vehicles	49,909		51,952	
Specialist Rail Vehicles	455,948		369,697	
		635,125		548,165
		1,395,184		2,318,190
Profit/(Loss) on disposal of fixed assets				
Motor vehicles	5,722		2,180	
Profit/loss road rail vehicles	-		(9,219)	
		5,722		(7,039)
NET PROFIT		1,400,906		2,311,151

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