Company Registration No. 10494768 (England and Wales)

READYPOWER GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022

READYPOWER GROUP LIMITED

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READYPOWER GROUP LIMITED

COMPANY INFORMATION

Directors	M Brown W G Devanney A Hepburn R Jack
Company number	10494768
Registered office	Unit 620 Wharfedale Road Winnersh Wokingham Berkshire RG41 5TP
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

READYPOWER GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the Strategic Report for Readypower Group Limited (the "company") and it's subsidiary undertakings (the "Group") for the year ended 31 March 2022.

Review of business

The Group delivered significant growth during the year ended 31st March 2022, with revenue of £56.1 million (2021: £48.9 million) though EBITDA fell slightly to £13.0m (2021: £13.7 million) and operating profit fell to £3.7 million (2021: £6.0 million). The Group was impacted by the continued turbulence in the market due to reduced passenger numbers and delay to major infrastructure projects following the Covid-19 pandemic; together with the increased cost of supply and fuel due to inflationary pressures within the UK economy.

We were delighted that Angel Trains Limited (Angel Trains) acquired 100% of the share capital of the Readypower Group Limited on the 28th January 2022, continuing Angel Trains' commitment to investing in rail assets in the UK. The Group will continue to run as an independent business, with its brand and management team remaining in place. Angel Trains brings a wealth of understanding and experience of managing rail assets and will support the Group's growth by investing in the latest machinery and technology to support critical rail assets, developing sustainable solutions for the future.

The Group was also delighted to purchase 100% of the share capital of a group of companies trading as Complete Drain Clearance on the 21st October 2021, rebranded as Readypower Complete Drain Clearance Limited (RCDCL). The acquired business operates a unique collection of sucking and jetting units to contractors in the rail industry. This purchase follows the group strategy of investing in high performing niche asset led infrastructure services businesses.

We believe there will be a focus on rail track-draining in the coming years, to ensure the safe running of trains and to preserve the track quality and lifetime of the rail infrastructure. We intend to make further investment into new machines for the RCDC fleet. We will lever the Readypower national footprint and operating hubs in all the Network Rail Regions to grow the business and offer these industry leading services to the whole of the UK.

The Group continued its strategy of investment in capital assets by adding significant capability and more environmentally friendly assets to its fleet during the year, with £5.8 million (2021: £5.9 million) spent on Rail Road Vehicles (RRVs), RRV upgrades and associated equipment and attachments.

Continuing our drive to improve efficiency, provide cost-effective solutions and reduce environmental impact for our customers, the Group brought out it's first Tier 5 engine, a DX-140 Track-Railer. As at March 2022 45% (2021: 43%) of our RRV fleet has environmentally friendly Tier 4 or 5 engines, with future orders in place to improve this position further.

Key performance indicators

The Groups key financial performance indicators for the year ended 31 March 2022 were:

	2022	**2021**
Turnover	£56.1 million	£48.9 million
EBITDA	£13.0 million	£13.7 million
Operating profit	£3.7 million	£6.0 million
Net assets	£8.2 million	£9.3 million
Rail PPS reliability %	99.1%	99.2%

a. Turnover is defined as revenue from construction contracts, and goods and services provided in the normal course of business;

b. Operating profit is defined as turnover less cost of sales and administrative expenses as disclosed in the Consolidated Statement of Comprehensive Income on page 14;
c. EBITDA is defined as operating profit plus depreciation, amortisation, and exceptional items
d. Rail PPS reliability % is defined by Network Rail as the percentage of shifts completed over a 26 week period where there were no machine reliability issues. A score greater than 99% is regarded as gold standard.

Management uses EBITDA to assess the underlying performance of the business. During the year, management invested in people, training, assets, and property to position the company for future growth.

Future developments
The Group continues its strategy of looking for new opportunities within the UK regulated infrastructure market, with a focus on rail, to further expand its nationwide presence.

Health and Safety is fundamental to our Group, and we continue to investigate ways that we can improve this for our staff, suppliers and customers.

We firmly believe that despite the uncertain market conditions caused by the Covid-19 pandemic, Ukrainian war and Brexit implications the Group is in an extremely strong position with our customer-focused approach, excellent management team, strong infrastructure, well invested asset-base and ongoing investment program to benefit from an upturn in the market as the UK government's investment in infrastructure accelerates; whilst the Group has a strong financial position and management team, supported by our new owners, to withstand any potential market fluctuations.

Financial risk management
Financial risks to the company include:

- Liquidity risk: The Group monitors operational and financial performance closely and has an extremely strong relationship with our investors. The directors monitor cash flow projections to ensure the company has sufficient funds to meet its working capital requirements and fund its capital investment program.
- Credit risk: The Group has no external bank debt, though has an interest-free inter-company loan unsecured with Angel Trains. The directors monitor cash flow projections closely on a regular basis.
- Inflationary pressures: The Group has been impacted by the increased cost of fuel and haulage within the UK market together with labour cost increases. The Group has responded by absorbing some of the cost increases whilst also reviewing and changing as appropriate our charge-out rates and we continue to monitor rates and costs closely.

Principal risk and uncertainties:
The principal risks and uncertainties that affect the business include:

- Customer relationships: The Group maintains strong relationships with each of its key customers and has established credit control parameters. Appropriate credit terms are agreed with all customers and these are closely managed.
- Contract risk: The Group conducts significant elements of its business under customer contract and framework agreements, which include performance delivery and other specific conditions. The key to the management of contract risk is robust operational procedures and strong customer service, supported by effective contractual, operational, and financial management. Rigorous processes are in place across the company to ensure that operational qualitive and quantitative parameters are met. Main Board approval is required for material contracts and framework agreements.
- The effect of legislation or other regulatory requirements: The Group operates in a highly regulated environment and takes its duties and responsibilities extremely seriously. Health and Safety and Compliance are at the core of everything the companies do.

- Brexit risk: Brexit presented limited risk to the Group since all operations and the majority of suppliers are UK based though they do in turn source from overseas. We proactively worked with the supply chain to ensure continuity and to date there has been no material impact on our operations. We continue to monitor this area of risk as part of our supply chain management.

Covid-19 impact

The health and safety of our employees, customers and suppliers is the Group's key priority. When the Covid-19 pandemic struck, the Group used its crisis management system, to develop and implement an effective response whilst taking all necessary steps to protect our employees, customers, suppliers, and local communities. We continue to actively monitor the Covid-19 situation, adhering to government, health and industry best practice, and taking all necessary and practical safe-guarding measures.

Key areas of strategic development and performance of the business include:

- Sales and Marketing: New and replacement business is being won regularly; new markets have been developed in line with the Group's strategy of focusing on providing specialist rail infrastructure services and other UK regulated infrastructure services such as power. Customer relationships are key to the business.
- Capital Investment Program: The Group's capital investment program is to ensure it has the most effective and efficient fleet of Road Rail Vehicles and Specialist Attachments in the UK to support its customers' needs whilst ensuring it maintains the fleet to the highest possible standard.
- Facilities: The Group has completed our strategy of having an operational hub in each of the five Network Rail Regions and is well positioned to serve our customers. The Group will continue to look for new satellite facilities as needed, to further support our customers' needs and geographical requirements and expansion.
- People: Investment in people is one of the Group's key assets. Investing in training and significantly strengthening our management, operational, sales and support staff, will enable the Group to fulfil its strategic objectives.
- System and Processes: The Group has invested in a business transformation project to significantly enhance its service offering and streamline its operations.
- Competitive advantage: The Group operates in a highly competitive market focusing on areas where it has a competitive advantage. As a result, the company is well positioned for long-term growth.

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires each director in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company

Each director, on joining the Board, is made aware of his or her obligations. A clear governance structure is in place which, together with the Group's delegation of authority policy ensures that business decisions are made by the appropriate groups.

Our key stakeholders are:

Stakeholder	Why they are important
Our investors and shareholders	This includes the Group's new shareholders who are the providers of capital without whom we could not grow and invest for future success
Our people	In all operating companies our employees play a vital role in delivering the service experience our clients demand
Our clients	Our clients are central to our success and include Network Rail, the principal contractors operating within the UK and several privately owned companies. We are focussed on delivering outstanding customer service to our clients.
Our suppliers and partners	Our suppliers and partners are key to our success and we work closely with them to ensure we have excellent product and services.

The Board is updated monthly on any significant item pertaining to these stakeholder groups.

The primary purpose of the Board is: to provide strategic oversight to the Group through challenging the Executive team to ensure that the business plans are articulated and executed in a manner consistent with the overall vision of the organisation; and to provide strategies, advice and guidance to help the Executive team to mitigate risks, and to navigate through changes in the business environment in which the organisation operates. The following section summarises how the Directors have fulfilled these duties in accordance with section 172(1):

Our purpose, strategy and considerations of long-term decision making

One of the primary focuses of the Board is to ensure the Group achieves its purpose and strategy of providing outstanding customer service to our client base, while investing in fleet, people, facilities and systems. At our regular monthly Board meetings, our key considerations include our strategy and how our business should evolve to react to changing market conditions and fulfilling the needs of our client base.

As a result of these deliberations, the Board and directors worked with the business to make several strategic moves during the year:

- Angel Trains invested in the Group providing long-term stability for the business; and
- The Group purchased 100% of the share capital of trading group of Readypower Complete Drain Clearance Limited (previously Complete Environmental Services Limited); and
- The Group invested in its first Road Rail Vehicle Tier 5 engine, enhancing our environmental offerings and complementing our current Road Rail Vehicle Tier 4 engines.

Engagement with employees

Our people are vital in delivering the high level of service our clients expect. The Board ensures performance management and training are key parts of the Group's strategy to ensure service levels remain high.

As detailed above, much of the operational, IT and Finance workforce was consulted on the implementation of a new operational system to manage our RRV fleet.

For further details regarding employees, please see the Employee engagement section on page 8-9.

Engaging with our clients and suppliers

Our customers consist of some of the industry's largest tier 1 contractors. Members of the Board and senior management team regularly engage with our customers to ensure high service levels are maintained at all times, and they request feedback on areas that can be improved which then drives the Board's decision-making process on investment in machinery and processes, such as the development of the new Superbug RRV as detailed above.

There is no key dependency on any one provider. The Board has ensured the business has put in place a vendor onboarding process, to ensure our suppliers comply with our standards, such as those relating to modern slavery and data protection and as part of our contracting process, we include specific prohibitions outlining our policies and values.

Regular engagement with our suppliers is also vital in the development of new technology such as the Superbug RRV and Transporter RRV Personnel Carriers.

Impact on the environment
Our Rail Services business owns and operates a national fleet of railway construction plant equipment supported by a transport fleet and external haulage. Predominantly these machines use diesel engines. The Board is very conscious of the Group's environmental footprint and looks to engage the most sustainable and environmentally friendly operating model.

The Board holds regular investment program reviews of our fleet with the strategic aim of acquiring the latest and most environmentally friendly engines with efficient operational capability. We actively work with our suppliers to develop new RRVs with higher output which reduces the numbers of machines needed to deliver work, and repurposing older machines to increase their effective useful life. Presently there is not an economically or effective alternative to diesel engines for machines and lorries, however we will continue to explore this with our suppliers and industry bodies as the technology evolves.

The Board's intention is to renew haulage fleet with the latest technology every 4-5 years. We use trailers with fold down ramps to lessen the drag effect resulting in improved miles per gallon from our fleet.

We provide fully electric cars as an option to our management teams and this will roll out further as the technology develops particularly regarding commercial vehicles. Our offices and workshops use energy efficient lighting, and we have centralised printing, recycling and waste disposal points. We use electronic forms and packs, further reducing paper usage, whilst we monitor and actively try to reduce our electronic footprint.

A Sustainable Group has been set up, drawn from employees throughout the Group, to help enable the Group to deliver our operations and administration efficiently and effectively through the adoption of sustainable principles and practices. We have also been awarded gold status at the Supply Chain Sustainability School which requires the Group to be fully engaged within the school by re-assessing and the Group and receiving bespoke action plans, regularly utilising the School's training resources, and sharing knowledge with other members through case studies and public speaking.

Engagement with shareholders and investors
Our principal shareholder and investors are represented on the Board and are therefore engaged in decision making within the business. They receive monthly financial information and regular updates from the Executive Directors.

On behalf of the board

....
R Jack
Director

Date: 29th July 2022

The directors present their annual report and audited consolidated financial statements for the year ended 31 March 2022.

Principal activities
The principal activity of the Group is as a specialist rail infrastructure services provider operating in the highly regulated UK rail industry. The Group operates from five major operational hubs supported by satellite facilities across the UK. The Group provides: specialist operated asset hire of Road Rail Vehicles (RRVs) with attachments designed specifically for use on rail infrastructure; Plant Operating Scheme services to ensure the safe planning of on-track plant and machinery on the UK rail infrastructure; specialist rail drainage services; and specialist civil engineering services to the regulated infrastructure sectors with a particular focus on highly regulated rail infrastructure projects.

Directors
The directors who held office during the year and up to the date of the signature of the financial statements were as follows:

A P Armstrong	(resigned 28 January 2022)
M Brown	(appointed 28 January 2022)
W G Devanney	
A Hepburn	
R Jack	
P J Lester	(resigned 28 January 2022)

Dividends
No ordinary dividends were paid (2021: nil). The directors do not recommend payment of a further dividend.

Qualifying third party indemnity provisions
The company has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Finance Facilities
Following the acquisition of the Group by Angel Trains, the Group is now financed by loans from the Angel Trains group of companies. All previous Bank and Shareholder debt facilities were repaid during the year.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee engagement
The Group's policy is to consult and discuss with employees, through staff meetings, intranet, social media, TV monitors, toolbox talks and regular departmental meetings, matters likely to affect employees' interests. The directors engage directly with senior managers throughout the business through regular monthly meetings to ensure the supply of information about matters of concern to employees. This information is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. Feedback from managers and employees is given directly in these meetings, and employee involvement is encouraged in all areas of the business since achieving common awareness across all employees of the factors that drive the Group's performance plays a key role in its financial results.

Employee engagement and feedback is also vital in assisting the directors in making principal strategic decisions such as hiring of new staff, capital expenditure of new machinery, opening of new facilities, and improving the business' systems and processes. Please refer to the Section 172(1) statement for more information.

The health and safety of our employees also remains one of our primary considerations in the way we do business. As laid out on page 5 and as instructed by the Board, the Group has recently taken measures during the Covid-19 pandemic to ensure the safety of all our people working on all our work sites, workshops and in our offices.

Stakeholder engagement
The company is required to set out the performance and development of the business of the Group during the year ending 31 March 2022, the position of the Group as at 31 March 2022 and a description of the principal risk and uncertainties facing the Group. By reference to the strategic report the following information is provided: review of the business; environmental reporting; financial risk management; risk management and principal risks; customer, supplier and wider stakeholder engagement where appropriate additional consideration on risks and areas of focus are included here.

A full explanation of how the Board ensures the Group engages fully with its stakeholders can be found in the Section 172(1) statement on pages 5-7.

Strategic report
In accordance with the Companies Act 2006, S414c(11), information in respect of business activities, risk and future developments are shown in the strategic report on page 3.

Carbon emissions reporting

During the year ended 31 March 2022 we collected data on energy use across all our operations in the UK. The majority of the Group's energy usage is from diesel used in our RRV fleet and van fleet, which is measured in litres and converted to Green House Gas (GHG) emissions using UK Government GHG conversion factors. The remaining fuel usage is gas and electricity used at the Group's facilities.

The Group is taking active steps to reduce GHG emissions through its continued program of upgrades to both the RRV and van fleet. The Group's strategy is to invest in the most efficient machines currently available on the market, and to repurpose older machines rather than scrapping.

We have fully electric cars as an option to our employees and intend to roll this out to our site-based staff who drive commercial vehicles as the technology evolves.

GHG Emissions	**2022**	**2021**
Total CO_2e (tonnes)	4,506	4,695
Scope 1 CO_2e (tonnes)[a]	4,392	4,594
Scope 2 CO_2e (tonnes)[b]	92	90
Scope 3 CO_2e (tonnes)[c]	22	11
Intensity Ratio		
Total machine hours[d]	158,719	163,024
Total CO_2e (tonnes) per machine hour	0.028	0.029
Energy consumption		
Energy consumption used to calculate above emissions (kWh)[e]	17,456,173	18,255,584

Notes
[a] Scope 1 covers direct combustion of fuels from RRVs and company owned vehicles, and gas used in our UK offices
[b] Scope 2 covers emissions from electricity purchased for own use
[c] Scope 3 covers indirect emissions from business travel, primarily fuel used in vehicles owned by employees
[d] Machine hours represent the total number of hours our RRV fleet worked for our client base during the financial year
[e] Energy consumption is captured through fuel billing, utility billing and mileage expense claims

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' indemnities
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Directors' confirmations
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and company's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP were appointed as auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

On behalf of the board

....
R Jack
Director

Date: 29th July 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYPOWER GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Readypower Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: consolidated and company statements of financial position as at 31 March 2022; consolidated statement of comprehensive income, consolidated and company statements of changes in equity and consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYPOWER GROUP LIMITED

Report on the audit of the financial statements

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislations and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and EBITDA, incorrectly capitalising property, plant and equipment (PPE) and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations (impacting revenue, EBITDA or Property, plant and equipment).
- Challenging assumptions and judgements made by management in their accounting estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jennifer Hale

Jennifer Hale (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 July 2022

READYPOWER GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Turnover	3	56,095	48,936
Cost of sales		(38,051)	(31,004)
Gross profit		18,044	17,932
Administrative expenses	4	(14,374)	(12,245)
Other operating income	5	40	310
Operating profit	8	3,710	5,997
Interest receivable and similar income	10	2	3
Interest payable and similar expenses	11	(2,418)	(3,007)
Profit before taxation		1,294	2,993
Tax on profit	12	(2,473)	(1,026)
(Loss)/profit for the financial year		(1,179)	1,967
Total comprehensive (expense)/income		(1,179)	1,967

READYPOWER GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Company Registration No. 10494768

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	13		19,683		20,824
Tangible assets	14		28,304		25,110
			47,987		45,934
Current assets					
Inventories	18	444		369	
Debtors	19	14,077		10,657	
Cash at bank and in hand		5,499		692	
		20,020		11,718	
Creditors: amounts falling due within one year	20	(53,069)		(34,320)	
Net current (liabilities)			(33,049)		(22,602)
Total assets less current liabilities			14,938		23,332
Creditors: amounts falling due after more than one year	21		-		(10,261)
Provisions for other liabilities	24		(6,778)		(3,739)
Net assets			8,160		9,332
Capital and reserves					
Called-up share capital	27		31		31
Share premium account	28		1,620		1,613
Other reserves	28		3		3
Retained earnings	28		6,506		7,685
Total equity			8,160		9,332

The notes on pages 21 to 45 are an integral part of these financial statements.

The financial statements on pages 15 to 45 were approved by the board of directors and authorised for issue on 29 July 2022 and signed on its behalf by:

....

W G Devanney
Director

READYPOWER GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Company Registration No. 10494768

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Investments	15		-		-
			-		-
Current assets					
Debtors	19	22,508		20,612	
Creditors: amounts falling due within one year	20	(7,900)		(18,304)	
Total assets less current liabilities			14,608		2,308
Net current assets			14,608		2,308
Net assets			14,608		2,308
Capital and reserves					
Called-up share capital	27		31		31
Share premium account	28		1,620		1,613
Other reserves	28		3		3
Retained earnings	28		12,954		661
Total equity			14,608		2,308

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group financial statements. The company's profit for the year was £12,293,000 (2021: £320,000).

The financial statements were approved by the board of directors and authorised for issue on 29 July 2022 and signed on its behalf by:

....

W G Devanney
Director

READYPOWER GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Share capital	Share premium account	Other reserves	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020		31	1,613	3	5,718	7,365
Year ended 31 March 2021:						
Profit and total comprehensive income for the financial year		-	-	-	1,967	1,967
Balance at 31 March 2021		31	1,613	3	7,685	9,332
Year ended 31 March 2022:						
Loss and total comprehensive expense for the financial year		-	-	-	(1,179)	(1,179)
Issue of share capital	27	-	7	-	-	7
Balance at 31 March 2022		31	1,620	3	6,506	8,160

READYPOWER GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Share capital	Share premium account	Other reserves	Retained earnings	Total equity
		£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020		31	1,613	3	341	1,988
Year ended 31 March 2021:						
Profit and total comprehensive income for the financial year		-	-	-	320	320
Balance at 31 March 2021		31	1,613	3	661	2,308
Year ended 31 March 2022:						
Profit and total comprehensive income for the financial year		-	-	-	12,293	12,293
Issue of share capital	27	-	7	-	-	7
Balance at 31 March 2022		31	1,620	3	12,954	14,608

READYPOWER GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Cash flows from operating activities					
Cash generated from operations	29		9,425		14,775
Income taxes paid			(1,111)		(1,514)
Net cash generated from operating activities			8,314		13,261
Investing activities					
Purchase of business		(3,705)		-	
Purchase of intangible assets		(44)		(4)	
Purchase of tangible assets		(6,520)		(7,245)	
Proceeds on disposal of tangible assets		76		610	
Interest received		2		-	
Net cash used in investing activities			(10,191)		(6,639)
Financing activities					
Proceeds from issue of shares		7		-	
Repayment of preference shares		(11,475)		-	
Proceeds from borrowings		47,312		-	
Repayment of borrowings		(11,475)		-	
Proceeds from bank loans		10,747		-	
Repayment of bank loans		(24,958)		(3,261)	
Interest paid		(3,474)		(3,593)	
Net cash generated from/(used in) financing activities			6,684		(6,854)
Net increase/(decrease) in cash and cash equivalents			4,807		(232)
Cash and cash equivalents at beginning of year			692		924
Cash and cash equivalents at end of year			5,499		692

1 Accounting policies

Company information

Readypower Group Limited ("the company") is a private company limited by shares and is registered and incorporated in the United Kingdom. The registered office is Unit 620 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP.

The Group consists of Readypower Group Limited and all of its wholly owned subsidiaries.

The company's and the Group's principal activities and nature of its operations are disclosed in the Directors' Report.

Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standards including Finance Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

Summary of significant accounting policies

The principle accounting policies adopted are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on a going concern basis, under the historical cost convention.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Group and company has adequate resources to continue in operational existence for the foreseeable future both through its own resources and through the resource and support of the parent company, Angel Trains Limited, and the wider Angel Trains Group of companies. Safe working practices were put in place during 2020 across the industry to ensure any lockdowns arising from any future coronavirus outbreaks will have minimal impact on the group's trading. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (Continued)

Exemptions for qualifying entities under FRS 102

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit and loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for the parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Readypower Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous years are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1 Accounting policies (Continued)

Revenue recognition

Revenue shown in the income statement comprises revenue from specialist operated asset hire and Plant Operating Scheme services and specialist civil engineering contracts.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added taxes. The company and Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group and company retains no continuing involvement; (c) the amount of revenue can be measured reliably; and (d) it is probable that the future economic benefits will flow to the entity.

Provision of rail infrastructure services and equipment

Revenue from specialist operated asset hire and Plant Operating Scheme services are recognized as services are performed. Services represents short term operated hire or operated plant and equipment and associated services. To the extent that services have been performed, but not yet invoiced accrued revenue is recognised.

Construction of civil engineering projects

Revenue from specialist civil engineering contracts are recognised based on work completed to date. Progress is determined based upon sectional or measured completion as defined in the contract; based on activity schedules and bill of quantities respectively, up to and including the reporting end date. This includes works certified and billed; works applied for; and work-in-progress not yet contractually applied for, though can be estimated reliably.

The value of variations to scope in contract are included in turnover to the extent that the amount can be reliably measured and agreed with the customer and its receipt is considered probable.

When it is probable that the total specialist civil engineering contract will make a loss, the expected loss is recognised as an expense immediately.

Accrued revenue/amounts owed by contract customers represents revenue on work that has been completed but not yet invoiced.

Government Grants

Government grants are recognised following the accrual model.

Revenue based grants are recognised in income on a systematic basis over the years in which the related costs for which the grant is intended to compensate. Grants receivable as compensation for expenses or losses already incurred or for the purpose of immediate financial support with no future related costs will be recognised in income in the year in which it becomes receivable.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years. Amortisation is recognised within administrative expenses.

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets are stated at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining computer software are recognised as expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it is available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Amortisation is recognised within administrative expenses so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

	Straight line
Software	3 - 5 years straight line
Customer relationships	10 years
Brand intangibles	5 years
Order book	2 years

Tangible fixed assets

Tangible fixed assets are measured at cost net of depreciation and any impairment losses.

Costs include the original purchase price and costs directly attributable to bringing the asset to its working condition. Subsequent costs, including major upgrades, are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that the economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

Where major machine upgrades are performed within the business, the costs relating to the upgrades, including parts and labour, are attributed to assets under construction. Once upgrades have been completed, the total upgrade cost is transferred to plant and machinery and depreciated in line with the depreciation policy set out below.

1 Accounting policies (Continued)

Depreciation is calculated to allocate the depreciable amount to their residual values over their estimated useful lives as follows:

	Straight line
Plant end equipment	
Road rail vehicles	10 years
Machine upgrades	7 years
Other plant and equipment including specialist attachments	8 - 10 years
Fixtures and fittings	4 - 10 years
Computers	4 years
Motor vehicles	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting year end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies (Continued)

Cash at bank and in hand

Cash at bank and in hand are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade, other debtors, amounts owed to group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled, or they expire.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different years from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

1 **Accounting policies (Continued)**

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future year except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the year in which it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either assets or liabilities.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 Accounting policies (Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Dividends

Dividends to the Group's shareholders are recognised as a liability in the financial statements in the year in which the divided is approved. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Group (or company) discloses transactions with related parties which are not wholly owned within the same group by the ultimate parent company. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group (company) financial statements.

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following are the critical judgements that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The assessment of degree of completion of work-in-progress on construction contracts, and the measurement of the value of variations to scope requires management judgement. The policy in respect of recognition of revenue on the construction of civil engineering projects is detailed in note 1.

Key sources of estimation uncertainty

Useful lives of plant and equipment

The Group periodically reviews the useful economic lives. For the current year, the directors have considered the current estimate of useful economic lives to be supoortable and reasonable and therefore no material changes have been made during the year. Given the long life of RRVs, there is inherent uncertainty and therefore the directors will continue to review periodically.

2 Judgements and key sources of estimation uncertainty (continued)

Forecasts and discount rates

As described in the impairment of fixed assets policy above the Group reviews the carrying amounts of its fixed assets and in particular intangible assets and plant and equipment. The assessment as to whether there are any indications of impairment of fixed assets are dependent on the estimated future cash flows and the discount rate used to calculate a present value. Using these estimates, the Group performs robust cash flow forecasts, which are regularly reviewed by directors. Cash generating units are based on the three trading entitites within the Group, Readypower Rail Services Limited, Readypower Terrawise Limited and Readypower Complete Drain Clearance Limited.

3 Turnover

	2022 £'000	2021 £'000
Turnover analysed by class of business		
Construction of civil engineering projects	14,299	9,818
Provision of rail infrastructure services and equipment	40,598	39,118
Provision of rail drain clearance services and equipment	1,198	-
	56,095	48,936

	2022 £'000	2021 £'000
Turnover analysed by geographical market		
United Kingdom	56,095	48,936

4 Administrative expenses

	2022 £'000	2021 £'000
Administrative expenses included the following items:		
Exceptional costs	1,073	-

The exceptional costs incurred during the year consist of £18,000 of professional fee relating to refinancing of the Group's debt facilities, £208,000 of exceptional employee costs relating to the acquisition of K & S (615) Limited, and £847,000 of legal and professional fees relating to the sale of the Group of companies to Angel Trains.

5 Other operating income

	2022 £'000	2021 £'000
Coronavirus job retention scheme furlough reclaim	-	224
Research and development tax credit	40	86
	40	310

The research and development tax credit has been claimed under the Research and Development Expenditure Credit scheme.

6 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Directors	5	5	-	-
Direct staff	221	208	-	-
Administration	67	61	-	-
	293	274	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	13,885	13,196	-	-
Social security costs	1,515	1,411	-	-
Other pension costs	306	292	-	-
	15,706	14,899	-	-

7 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration for qualifying services	565	591
Company pension contributions to defined contribution schemes	26	25
	591	616

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £'000	2021 £'000
Remuneration for qualifying services	215	217
Company pension contributions to defined contribution schemes	11	11
	226	228

8 Operating profit

	2022 £'000	2021 £'000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	4,425	4,187
Loss/(profit) on disposal of tangible fixed assets	55	(147)
Amortisation of intangible assets	3,747	3,650
Exceptional items	1,073	-
Operating lease charges	701	665
Inventory provision	-	(25)

Of the depreciation charge £3,672,000 (2021: £3,471,000) is reported within cost of sales and £753,000 (2021: £716,000) is within administrative expenses.

9 Auditors' remuneration

	2022 £'000	2021 £'000
Fees payable to the company's auditors and their associates:		
For audit services		
Audit of the financial statements of the Group and company	16	6
Audit of the financial statements of the company's subsidiaries	129	97
	145	103

10 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest income		
Bank interest receivable	1	-
Other interest receivable	1	3
	2	3

11 Interest payable and similar expenses

	2022 £'000	2021 £'000
Interest on bank overdrafts and loans	479	628
Interest on other loans	985	1,226
Interest on finance leases and hire purchase contracts	1	-
Dividends on preference shares	953	1,153
Total finance costs	2,418	3,007

12 Tax on profit

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current year	33	1,654
Adjustments in respect of prior years	(146)	(3)
Total current tax	(113)	1,651
Deferred tax		
Origination and reversal of timing differences	808	(630)
Changes in tax rates	1,579	5
Adjustments in respect of prior years	199	-
Total deferred tax	2,586	(625)
Total tax charge for the year	2,473	1,026

12 Tax on profit (continued)

The total tax charge for the year included in the statement of comprehensive income can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £'000	2021 £'000
Profit before taxation	1,294	2,993
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	246	569
Tax effect of expenses that are not deductible in determining taxable profit	645	471
Fixed asset timing differences	(359)	-
Adjustments in respect of prior years	53	(3)
Effect of change in corporation tax rate	1,896	5
Other adjustments	(8)	(16)
Total tax charge	2,473	1,026

Current and future changes in tax rates

In the Spring Budget 2021, the UK Government announced that the headline UK corporation tax rate would increase from 19% to 25% from 1 April 2023 on profits in excess of £250,000. A small profits rate of 19% will apply to profits of £50,000 or less and for companies with profits in between these amounts there will be a gradual increase in the effective corporation tax rate. As this new law had not been substantively enacted at the balance sheet date current tax is calculated at 19%.

13 Intangible assets

Group	Goodwill	Software	Customer relationships	Brand intangibles	Order book	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2021	12,309	179	22,622	621	284	36,015
Additions	2,562	44	-	-	-	2,606
At 31 March 2022	14,871	223	22,622	621	284	38,621
Accumulated amortisation						
At 1 April 2021	5,100	67	9,232	508	284	15,191
Amortisation charged in the year	1,337	41	2,263	106	-	3,747
At 31 March 2022	6,437	108	11,495	614	284	18,938
Carrying amount						
At 31 March 2022	8,434	115	11,127	7	-	19,683
At 31 March 2021	7,209	112	13,390	113	-	20,824

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

Software represents capitalised cost of the new operations system developed during 2019, and ongoing development costs in later years. The system went live on 1 April 2019.

14 Tangible assets

Group	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April 2021	1,138	34,743	1,004	231	2,830	39,946
Additions	3,227	2,588	115	45	545	6,520
Transfers	(3,717)	3,717	-	-	-	-
Business combinations	-	1,178	-	5	47	1,230
Disposals	-	(200)	(1)	(10)	(101)	(312)
At 31 March 2022	648	42,026	1,118	271	3,321	47,384
Accumulated depreciation						
At 1 April 2021	-	12,801	207	115	1,713	14,836
Depreciation charged in year	-	3,672	113	56	584	4,425
Disposals	-	(92)	(1)	(8)	(80)	(181)
At 31 March 2022	-	16,381	319	163	2,217	19,080
Carrying amount						
At 31 March 2022	648	25,645	799	108	1,104	28,304
At 31 March 2021	1,138	21,942	797	116	1,117	25,110

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

The plant and equipment disclosed above includes road rail vehicles and machine upgrades.

15 Investments

Movements in investments Company	Shares in group undertakings
	£'000
Cost	
At 1 April 2021 and 31 March 2022	-
Carrying amount	
At 31 March 2022	-
At 31 March 2021	-

The Group has no fixed asset investments at 31 March 2022 or 31 March 2021.

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Readypower Rail Services Finance Limited	*	Holding company	Ordinary	100.00	
Readypower Rail Services Group Limited	*	Holding company	Ordinary		100.00
Readypower Rail Services Limited	*	Specialist provider of rail infrastructure services and equipment	Ordinary		100.00
Readypower Terrawise Limited	*	Construction of civil engineering projects	Ordinary		100.00
Readypower CES Limited	*	Dormant	Ordinary		100.00
K & S (615) Limited	*	Holding company	Ordinary		100.00
Readypower Complete Drain Clearance Limited (formerly Complete Environmental Services Limited)	*	Specialist provider of rail drain clearance services and equipment	Ordinary		100.00

* Unit 620 Wharfedale Road, Winnersh, Wokingham, RG41 5TP.

17 Acquisitions

On 19 October 2021 the Group acquired 100% of the issued share capital of K & S (615) Limited, which is the 100% owner of Readypower Complete Drain Clearance Limited (formerly Complete Environmental Services Limited), for a consideration of £3,743,000. Goodwill is amortised over a period of 10 years.

At the acquisition date the asset acquired and liabilities assumed were recognised at their fair values to the Group, as set out below:

	Book Value	Adjustments	Fair Value
	£'000	£'000	£'000
Property, plant and equipment	1,095	132	1,227
Trade and other receivables	348	-	348
Cash and cash equivalents	39	-	39
Trade and other payables	(135)	-	(135)
Corporation tax liabilities	(129)	-	(129)
Deferred tax	(136)	(33)	(169)
	1,082	99	1,181
Goodwill			2,562
Total consideration			3,743

The consideration was satisfied by:	£'000
Cash	3,560
Directly attributable costs	183
	3,743

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:	£'000
Turnover	1,198
Profit after tax	486

18 Inventories

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Parts and consumables	444	369	-	-

Inventories are stated after provisions for impairment of £75,000 (2021: £75,000).

19 Debtors

	Group		Company	
	2022	2021	2022	2021
Amounts falling due within one year:	£'000	£'000	£'000	£'000
Trade debtors	7,221	7,983	-	-
Amounts owed by contract customers	2,759	1,279	-	-
Amounts owed by group undertakings	-	-	22,508	20,612
Other debtors	1,781	504	-	-
Corporation tax receivable	1,151	15	-	-
Prepayments and accrued income	1,165	876	-	-
	14,077	10,657	22,508	20,612

Amounts owed by group undertakings includes £20,855,000 (2021: £18,959,000) on account of an unsecured loan given and interest thereon at 10% per annum. The remaining balance is unsecured and interest free. There is no fixed date of repayment and all balances are repayable on demand.

20 Creditors: amounts falling due within one year

		Group		Company	
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
Bank loans and overdrafts	22	-	3,973	-	-
Trade creditors		3,320	3,279	-	-
Amounts owed to group undertakings		-	-	7,900	6,546
Other taxation and social security		511	806	-	-
Other creditors		153	351	-	-
Other borrowings	22	47,312	23,963	-	11,758
Accruals and deferred income		1,773	1,948	-	-
		53,069	34,320	7,900	18,304

The balance owed to group undertakings is unsecured and interest free. There is no fixed date of repayment and is repayable on demand.

Other creditors include £29,000 (2021: £217,000) relating to short term warranty provisions.

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
Bank loans and overdrafts	22	-	10,261	-	-

All bank loans were repaid in the year as part of the sale of the Group to Angel Trains.

22 Borrowings

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	-	14,234	-	-
Preference shares	-	11,758	-	11,758
Loans with parent	47,312	12,205	-	-
	47,312	38,197	-	11,758
Payable within one year	47,312	27,928	-	11,758
Payable after one year	-	10,269	-	-

As part of the acquisition of the Group by Angel Trains, the bank loans, preference shares and other loans were fully repaid during the year, financed by a £47,312,000 loan from the Angel Trains group of companies. This loan is unsecured and interest free. There is no fixed date of repayment and it is repayable on demand.

23 Financial instruments

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Carrying amount of financial assets				
Financial assets that are debt instruments measured at amortised cost	11,761	9,386	n/a	n/a
Carrying amount of financial liabilities				
Financial liabilities measured at amortised cost	52,558	43,775	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

24 Provisions for liabilities

		Group		Company	
		2022	2021	2022	2021
	Note	£'000	£'000	£'000	£'000
Warranty provision		213	139	-	-
Provision for employees remuneration		208	-	-	-
Deferred tax liabilities	25	6,357	3,600	-	-
		6,778	3,739	-	-

The total warranty provision relates to a short term & long term element. The short term provision is reported in note 20 and the movement on both elements is summarised below.

Movements on provisions apart from the deferred tax liabilities:

	Short term warranty provision	Long term warranty provision	Total warranty provision
Group	**£'000**	**£'000**	**£'000**
At 1 April 2021	217	644	861
Decrease in provision	-	(1)	(1)
Usage of provision	3,140	2,580	5,720
At 31 March 2022	3,357	3,223	6,580

The warranty provision is a provision for potential costs that the company is liable for to correct any defects that arise within a two year period after each project is complete. After a two year period the provision is released. Provisions due within one year are included in other creditors, see note 20.

	Provision for employees remuneration
Group	**£'000**
At 1 April 2021	-
Additional provisions in the year	208
At 31 March 2022	208

Following the acquisition of K & S (615) Limited, the provision for employees remuneration above relates to a provision for post acquisition services rendered.

25 Deferred taxation

The major deferred tax liabilities and assets recognised by the group are:

Group	Liabilities 2022 £'000	Liabilities 2021 £'000
Accelerated capital allowances	2,995	971
On business combination (net of movement)	2,784	2,198
On fair value uplift (net of movement)	581	437
Other short term timing differences	(3)	(6)
	6,357	3,600

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £'000	Company 2022 £'000
Liability at 1 April 2021	3,600	-
Additions from new subsidiaries	171	-
Debit to profit and loss	2,586	-
Liability at 31 March 2022	6,357	-

The deferred tax liability set out above relates to accelerated capital allowances and deferred tax on business combinations and fair value uplift. £640,000 is expected to reverse within 12 months relating to deferred tax on business combinations and fair value uplift.

26 Retirement benefit schemes

Defined contribution schemes	2022 £'000	2021 £'000
Charge to profit or loss in respect of defined contribution schemes	306	292

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

27 Called up share capital

	Group and company	
	2022	2021
	£'000	£'000
Ordinary share capital		
Allotted and fully paid		
70,000 (2021: 70,000) Ordinary A shares of 1p each	1	1
26,875 (2021: 26,875) Ordinary B shares of £1 each	27	27
3,125 (2021: 2,625) Ordinary C shares of £1 each	3	3
	31	31

The company's ordinary shares rank pari passu and carry no right to fixed income. They each carry the right to one vote at general meetings of the company.

28 Reserves

Share premium account
Consideration received for shares issued above their nominal value net of transaction costs.

Other reserves
Other reserves consists of Treasury shares repurchased by the company.

Profit and loss account
Cumulative profit and losses net of distributions to owners.

29 Cash generated from group operations

	2022	2021
	£'000	£'000
(Loss)/profit for the year after tax	(1,179)	1,967
Adjustments for:		
Taxation charged	2,473	1,026
Finance costs	2,418	3,007
Interest income	(2)	(3)
Loss/(gain) on disposal of tangible fixed assets	55	(147)
Amortisation of intangible fixed assets	3,747	3,650
Depreciation of tangible fixed assets	4,425	4,187
Increase in provisions	282	3
Movements in working capital:		
Increase in stocks	(75)	(117)
(Increase)/decrease in debtors	(1,068)	824
(Decrease)/increase in creditors	(1,651)	378
Cash generated from operations	9,425	14,775

30 Operating lease commitments

Lessee

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	595	531	-	-
Between one and five years	2,185	2,225	-	-
In more than five years	1,742	2,173	-	-
	4,522	4,929	-	-

Operating lease costs recognised within administrative expenses for the year were £701,000 (2021: £665,000).

31 Related party transactions

Following the acquisition of the Group by Angel Trains, companies within the Angel Trains group of companies loaned the Group £47,312,000 in order to repay its bank debt, preference shares and other loans held by the previous ultimate parent undertaking. This loan is unsecured and interest free. There is no fixed date of repayment and it is repayable on demand.

32 Contingent liabilities

Following the purchase of the Group by Angel Trains, Readypower Rail Services, a subsidiary undertaking of the company, is guarantor in respect of the following group undertakings:

The Great Rolling Stock Company PLC and Angel Trains Group Limited:
£2,102,534,000 (of which £1,669,545,000 remains outstanding) Senior term and revolving credit facilities agreements.

Willow Holdco 1 Limited:
£325,000,000 (of which £325,000,000 has been drawn down) Junior facility agreements.

The Great Rolling Stock Company PLC:
£4,000,000,000 (of which £711,408,000 has been drawn down) Bond programme for the issuance of secured guaranteed notes.

33 Business audit exemptions

The following subsidiaries are making use of the exemption regarding the mandatory audits of their financial statements under Section 479A of the Companies Act 2006:

Name	Company number
Readypower Rail Services Finance Limited	10494989
Readypower Rail Services Group Limited	10495095
Readypower Terrawise Limited	05875465
Readypower CES Limited	13650784
K & S (615) Limited	10473654
Readypower Complete Drain Clearance Limited	03573817

34 Controlling party

The smallest and largest group for which consolidated financial statements are prepared, and which include the financial statements of the company, is Readypower Group Limited. Copies of the Readypower Group Limited consolidated financial statements can be obtained from the Company Secretary at Unit 620 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP.

Angel Trains Limited, a company incorporated in the United Kingdom, is the immediate parent company.

The directors regard Willow Topco Limited, a company incorporated in Jersey, as the ultimate controlling party and ultimate parent.