

Company Registration No. 10495095 (England and Wales)

READYPOWER RAIL SERVICES GROUP LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022**

READYPOWER RAIL SERVICES GROUP LIMITED

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READYPOWER RAIL SERVICES GROUP LIMITED

COMPANY INFORMATION

Directors

W G Devanney
A Hepburn
R Jack

Company number

10495095

Registered office

Unit 620 Wharfedale Road
Winnersh
Wokingham
Berkshire
RG41 5TP

READYPOWER RAIL SERVICES GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present the Strategic Report for the year ended 31 March 2022.

Review of business

A summary of the results for the year is given in the Statement of Comprehensive Income on page 12. The company charges other Group companies a management charge for using its services. The company reported a profit for the year of £7.0 million (2021: £4.0 million loss) whilst it has net assets of £10.7 million (2021: £15.3 million) following an interim dividend payment of £11.6 million (2021: £nil).

The company receives and pays interest on intercompany loans with other companies within the Readypower Group Limited Group of companies.

In October 2021 the company acquired 100% of the share capital of a group of companies trading as 'Complete Drain Clearance'. 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 lead infrastructure services businesses.

Going concern

Readypower Group Limited (the Group), of which Readypower Rail Services Group Limited is a part, was acquired by Angel Trains Limited in January 2022. As a result all external bank debt was repaid, and the Group is now funded by loans from the Angel Trains Group of companies.

Monthly cash flow forecasts have been prepared for the business for future trading. These cash flows assume that the profitability of the operating subsidiary entities grow in accordance with the detailed business plan which has been approved by the board of directors. Management prepare cash flow forecasts that assume that all liabilities of the business are met in accordance with contractual terms.

Considering the Group trading, the directors have a reasonable expectation that Readypower Rail Services Group Limited has adequate resources to continue in existence for the foreseeable future, being at least twelve months from the date the financial statements are signed. Therefore they have adopted the going concern basis in preparing these financial statements.

Key performance indicators

The company is part of the Readypower Group Limited Group of companies which are managed on a group-wide basis. The key performance indicators used by the Group are disclosed in the Readypower Group Limited consolidated financial statements on page 3.

Future developments

The company will continue to act as an inter-mediate holding company while providing management services to other Group companies.

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 Limited. 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 reviewing and changing as appropriate our charge-out rates and we continue to monitor rates and costs closely.

READYPOWER RAIL SERVICES GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Principal risk and uncertainties:

The principal risks and uncertainties that affect the business and its subsidiaries are:

- 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 qualitative 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.

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.

The directors of Readypower Rail Services Group Limited are also the directors of the Group, and therefore the company is managed as part of the Readypower Group Limited Group of companies. The key stakeholders of the Group 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.

READYPOWER RAIL SERVICES GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

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 a number of strategic moves in the year:

- Angel Trains Limited invested in the Readypower Group providing long-term stability for the Group;
- The Group purchased 100% of the share capital of the 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

The employees of the company are also Board members, therefore are directly engaged with all Group operations. The directors engage with employees of the Group through staff meetings, intranet, social media, TV monitors, toolbox talks and regular departmental meetings, to ensure all matters likely to affect employees' interests are communicated. 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.

The health and safety of Group employees also remains one of our primary considerations in the way we do business. 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.

Engaging with our clients and suppliers

The company primarily engages with other Group companies through loans payable and receivable and by the recharging of directors' salaries. Engagement with group companies and the ultimate parent is maintained via the monthly Board meetings where all parties are represented.

Impact on the environment

The company itself has no operations that significantly impact the environment, however the Group operates a national fleet of railway construction plant equipment supported by a transport fleet. More information on how the Group manages the impact on the environment can be found in the strategic report of the financial statements of the parent company, Readypower Group Limited.

READYPOWER RAIL SERVICES GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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



.....
W G Devanney
Director

Date: 29th July 2022

READYPOWER RAIL SERVICES GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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

Principal activities

The principal activity of the company is that of an intermediate holding company to Readypower Rail Services Limited, a company providing specialist operated asset hire and Plant Operating Scheme services, and Readypower Terrawise Limited, a specialist civil engineering company working in highly regulated infrastructure and providing management services to other Group companies.

Directors

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

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

Dividends

An interim dividend of £11,563,000 was declared during the year (2021: nil). The directors do not recommend the payment of a final dividend.

Strategic report

In accordance with the Companies Act 2006, S414c(11), information of business activities, risk and future developments are shown in the strategic report on pages 3 and 4.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the 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 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 company and of the profit and loss of the company 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 company will continue in business.

The directors are responsible for safeguarding the assets of the 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

READYPOWER RAIL SERVICES GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

On behalf of the board



.....
W G Devanney
Director

Date: 29th July 2022

READYPOWER RAIL SERVICES GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Administrative expenses		<u>(1,806)</u>	<u>(936)</u>
Operating loss		(1,806)	(936)
Other operating income	5	776	814
Income from shares in group undertakings	6	11,813	-
Interest payable and similar expenses	7	<u>(4,059)</u>	<u>(3,831)</u>
Profit/(loss) before taxation		6,724	(3,953)
Tax on profit/(loss)	8	<u>280</u>	<u>-</u>
Profit/(loss) for the financial year		<u>7,004</u>	<u>(3,953)</u>
Total comprehensive income/(expense)		<u>7,004</u>	<u>(3,953)</u>

READYPOWER RAIL SERVICES GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Company Registration No. 10495095 (England and Wales)

	Note	2022 £'000	£'000	2021 £'000	£'000
Fixed assets					
Investments	10		73,857		70,114
Current assets					
Debtors	12	5,644		5,182	
Cash at bank and in hand		<u>1</u>		<u>2</u>	
		5,645		5,184	
Creditors: amounts falling due within one year	13	<u>(68,590)</u>		<u>(60,035)</u>	
Net current liabilities			<u>(62,945)</u>		<u>(54,851)</u>
Total assets less current liabilities			10,912		15,263
Provisions for liabilities			(208)		-
Net assets			<u>10,704</u>		<u>15,263</u>
Capital and reserves					
Called up share capital	16		-		-
Retained earnings	17		<u>10,704</u>		<u>15,263</u>
Total equity			<u>10,704</u>		<u>15,263</u>

For the financial years in question the company was entitled to exemption under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The notes on pages 12 to 22 are an integral part of these financial statements.

The financial statements on pages 9 to 22 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 RAIL SERVICES GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Called-up share capital	Retained earnings	Total equity
Note	£'000	£'000	£'000
Balance at 1 April 2020	-	19,216	19,216
Year ended 31 March 2021:			
Loss and total comprehensive expense for the financial year	-	(3,953)	(3,953)
Balance at 31 March 2021	-	15,263	15,263
Year ended 31 March 2022:			
Profit and total comprehensive income for the financial year	-	7,004	7,004
Dividends	9	(11,563)	(11,563)
Balance at 31 March 2022	-	10,704	10,704

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Readypower Rail Services 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 company'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 periods 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.

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:

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

- 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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Readypower Group Limited. These consolidated financial statements are available from its registered office, Unit 620 Wharfedale Road, Winnersh, Wokingham, Berkshire, RG41 5TP.

Other operating income

Other operating income shown in the income statement comprises income from recharging directors' salaries to other fellow group undertakings, with a markup applied. Salaries are recharged on a time apportionment basis.

Investments

Interests in subsidiaries are measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Cash at bank and in hand

Cash at bank and in hand and cash equivalents are basic financial instruments and include cash at bank and in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company 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.

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets are amounts owed to group companies, which 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 company 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.

Basic financial liabilities

Basic financial liabilities, including trade, other creditors and loans, 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.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company'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.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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 period 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 periods 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.

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.

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (Continued)

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 period 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 period 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.

Dividends

Dividends to the Company's parent company are recognised as a liability in the financial statements in the period in which the dividend is approved. These amounts are recognised in the statement of changes in equity.

Related party transactions

The 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 company financial statements.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no estimates or assumptions that have significant risk of causing a material adjustment to the closing amounts of assets and liabilities.

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Administrative expenses

Administrative expenses include the following exceptional items:

	2022 £'000	2021 £'000
Exceptional items	829	-

The exceptional items are made up of £208,000 of exceptional employee costs relating to the acquisition of Readypower Complete Drain Clearance Limited, and £621,000 of professional fees relating to the sale of the Readypower Group to Angel Trains Limited.

4 Employees and directors

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

	2022 Number	2021 Number
Directors	5	5

Their aggregate directors remuneration comprised:

	2022 £'000	2021 £'000
Remuneration for qualifying services	565	591
Social security costs	74	79
Company pension contributions to defined contribution schemes	26	25
	665	695

The number of directors for whom retirement benefits are accruing under the defined contribution schemes amounts to 3 (2021: 3).

Remuneration disclosed above include 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

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

5 Other operating income	2022	2021
	£'000	£'000
Non-operating income	776	814
	<u>776</u>	<u>814</u>

Non-operating income is made up of management service charges recharged to other group companies.

6 Income from shares in group undertakings	2022	2021
	£'000	£'000
Income from fixed asset investments		
Income from shares in group undertakings	<u>11,813</u>	<u>-</u>

7 Interest payable and similar expenses	2022	2021
	£'000	£'000
Interest on bank loans and overdrafts	85	227
Interest payable to group undertakings	<u>3,974</u>	<u>3,604</u>
	<u>4,059</u>	<u>3,831</u>

8 Tax on profit/(loss)	2022	2021
	£'000	£'000
Current tax		
UK corporation tax on profit/(loss) for the current year	<u>(280)</u>	<u>-</u>

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Tax on profit/(loss) (continued)

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

	2022 £'000	2021 £'000
Profit/(loss) before taxation	6,724	(3,953)
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19%)	1,278	(751)
Tax effect of expenses that are not deductible in determining taxable profit	158	-
Exempt distribution income	(2,244)	-
Group relief	808	751
Receipt for group relief	(280)	-
Total tax credit for the year	(280)	-

9 Dividends payable

	2022 £'000	2021 £'000
Ordinary shares		
Interim dividend paid	11,563	-

The directors do not recommend payment of a final dividend.

10 Investments

	Note	2022 £'000	2021 £'000
Investments in subsidiaries	11	73,857	70,114

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

10 Investments (continued)

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 April 2021	70,114
Additions	<u>3,743</u>
At 31 March 2022	<u><u>73,857</u></u>
Carrying amount	
At 31 March 2022	<u><u>73,857</u></u>
At 31 March 2021	<u><u>70,114</u></u>

11 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	Indirect
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	*	Specialist provider of rail drain clearance services and equipment	Ordinary		100.00

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

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors

	2022	2021
Amounts falling due within one year:	£'000	£'000
Amounts owed by group undertakings	5,009	4,292
Other debtors	89	384
Prepayments and accrued income	546	506
	<u>5,644</u>	<u>5,182</u>

The balance owed by group undertakings is unsecured and interest free, and the carrying value is supported by the underlying net assets of the group companies involved. There is no fixed date of repayment and is payable on demand.

13 Creditors: amounts falling due within one year

	Note	2022	2021
		£'000	£'000
Bank loans and overdrafts	14	-	2,953
Trade creditors		212	188
Amounts owed to group undertakings		68,324	56,615
Taxation and social security		23	259
Other creditors		4	4
Accruals and deferred income		27	16
		<u>68,590</u>	<u>60,035</u>

Amounts owed to group undertakings includes £43,713,000 (2021: £39,739,000) on account of an unsecured loan given and interest thereon at 10% per annum. The remaining balance is interest free. There is no fixed date of repayment and all balances are repayable on demand.

14 Borrowings

	2022	2021
	£'000	£'000
Bank loans and overdrafts	<u>-</u>	<u>2,953</u>
Payable within one year	<u>-</u>	<u>2,953</u>

The bank loan was fully repaid during the year as part of the sale of the Readypower Group to Angel Trains Limited.

READYPOWER RAIL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Retirement benefit schemes		
	2022	2021
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	<u>26</u>	<u>25</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Called up share capital		
	2022	2021
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
1 (2021: 1) Ordinary share of £1 each	<u>-</u>	<u>-</u>

17 Reserves

Retained earnings

Cumulative profit and loss net of distributions. At 31 March 2022 the balance included in the profit and loss account was £10,704,000 (2021: £15,263,000).

18 Audit exemption

The company is making use of the exemption regarding the mandatory audits of financial statements under Section 479A of the Companies Act 2006.

19 Controlling party

Readypower Rail Services Finance Limited is the immediate parent company.

Readypower Group Limited is the smallest and largest group for which consolidated financial statements including Readypower Services Group Limited are prepared. 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.

The directors consider the ultimate parent undertaking and controlling party to be Willow Topco Limited, a company incorporated in Jersey, by virtue of its majority shareholding in Readypower Group Limited.

