

Company Registration No. 05875465 (England and Wales)

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

# READYPOWER TERRAWISE LIMITED

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# READYPOWER TERRAWISE LIMITED

## COMPANY INFORMATION

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**Directors**

J M Crossen  
A Hepburn  
R Jack  
W G Devanney

**Secretary**

J M Crossen

**Company number**

05875465

**Registered office**

Unit 620 Wharfedale Road  
Winnersh  
Wokingham  
Berkshire  
RG41 5TP

# READYPOWER TERRAWISE LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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

#### Review of business

The company delivered impressive revenue growth for the year ended 31<sup>st</sup> March 2022, with sales of £14.3 million (2021: £9.8 million), EBITDA of £2.0 million (2021: £0.9 million) and operating profit of £2.0 million (2021: £0.8 million).

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

The company continued its strategy of widening its geographic coverage with contract wins in Scotland and Northern Ireland.

#### Financial risk management

Financial risks to the company include:

- **Liquidity risk:** The company 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 Readypower 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 company has been impacted by the increased cost of fuel and haulage within the UK market together with labour cost increases. The company 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 company 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 company 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 company 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 company does.
- **Brexit risk:** Brexit presented limited risk to the company 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.

# READYPOWER TERRAWISE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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 company'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.
- Facilities: The Readypower Group has completed its strategy of having an operational hub in each of the five Network Rail regions and is well positioned to serve its customers. The Readypower Group will continue to look for new satellite facilities as needed, to further support its customers' needs and geographical expansion.
- People: Investment in people is one of the company's key assets. Investing in training and significantly strengthening our management, operational, sales and support staff, will enable the company to fulfil its strategic objectives.
- System and Processes: The company has invested in a business transformation project to significantly enhance its service offering and streamline its operations.
- Competitive advantage: The company 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.

On behalf of the board



.....  
W G Devanney  
Director

Date: 29th July 2022

# READYPOWER TERRAWISE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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

#### Principal activities

The principal activity of the company continued to be that of a specialist civil engineering company working in highly regulated infrastructure.

#### Directors

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

J M Crossen  
A Hepburn  
J Burrows (resigned 29 July 2022)  
R Jack  
W G Devanney

#### 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 3-4.

#### 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" Section 1A, 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 or 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 Section 1A, 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.

# READYPOWER TERRAWISE LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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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.

On behalf of the board



.....  
W G Devanney  
Director

Date: 29th July 2022

# READYPOWER TERRAWISE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

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	Note	2022 £'000	2021 £'000
Turnover	3	14,299	9,818
Cost of sales		<u>(10,737)</u>	<u>(7,587)</u>
<b>Gross profit</b>		3,562	2,231
Administrative expenses		(1,651)	(1,489)
Other Operating Income	4	<u>40</u>	<u>98</u>
<b>Operating profit</b>	7	1,951	840
Interest receivable and similar income	8	<u>-</u>	<u>3</u>
<b>Profit before taxation</b>		1,951	843
Tax on profit	9	<u>(373)</u>	<u>(150)</u>
<b>Profit for the financial year</b>		<u>1,578</u>	<u>693</u>
<b>Total comprehensive income</b>		<u>1,578</u>	<u>693</u>

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# READYPOWER TERRAWISE LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

Company Registration No. 05875465 (England and Wales)

		2022		2021	
	Note	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	10		<u>240</u>		<u>253</u>
			240		253
<b>Current assets</b>					
Debtors	11	7,005		4,721	
Cash at bank and in hand		<u>18</u>		<u>65</u>	
		7,023		4,786	
<b>Creditors: amounts falling due within one year</b>	12	<u>(3,140)</u>		<u>(2,580)</u>	
<b>Net current assets</b>			<u>3,883</u>		<u>2,206</u>
<b>Total assets less current liabilities</b>			4,123		2,459
<b>Provisions for other liabilities</b>	14		<u>(237)</u>		<u>(151)</u>
<b>Net assets</b>			<u>3,886</u>		<u>2,308</u>
<b>Capital and reserves</b>					
Called-up share capital	16		-		-
Capital redemption reserve	17		-		-
Retained earnings			<u>3,886</u>		<u>2,308</u>
<b>Total equity</b>			<u>3,886</u>		<u>2,308</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 10 to 22 are an integral part of these financial statements.

The financial statements on pages 7 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 TERRAWISE LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Called-up share capital £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2020	-	-	1,615	1,615
Year ended 31 March 2021:				
Profit and total comprehensive income for the financial year	-	-	693	693
Balance at 31 March 2021	-	-	2,308	2,308
Year ended 31 March 2022:				
Profit and total comprehensive income for the financial year	-	-	1,578	1,578
Balance at 31 March 2022	-	-	3,886	3,886

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Company information

Readypower Terrawise 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 accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

##### 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.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.
- Section 33 'Related Party Disclosures' – Related party transactions with wholly-owned subsidiaries of the group.

##### Revenue recognition

Revenue shown in the income statement comprises revenue from 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 recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the 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.

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.

Deferred income represents the difference between applications for payment made to customers and the expected future cash payment of that application. Deferred income is released to the profit and loss account when payment is expected with reasonable certainty, or payment is made by the customer.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (Continued)

##### **Government Grants**

Government grants are recognised following the accrual model.

Revenue based grants are recognised in income on a systematic basis over the periods 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 period in which it becomes receivable.

##### **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 assets 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 probably that the economic benefits associated with the item will flow to the company and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

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

	<b>Straight line</b>
Plant and equipment	8-10 years
Fixtures and fittings	5 years
Office equipment	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 company reviews the carrying amount of its tangible 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 to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an asset, the company 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.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.

##### **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.

##### **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 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.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (Continued)

##### ***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.

##### ***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.

##### **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.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (Continued)

##### Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company 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 period in which it arises.

##### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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 company 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

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 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.

#### 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.



# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 2 Judgements and key sources of estimation uncertainty (continued)

##### *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.

#### 3 Turnover

The whole of the turnover is attributable to the principal activity of the Company. All turnover arose within the United Kingdom.

#### 4 Other Operating Income

	2022 £'000	2021 £'000
Coronavirus job retention scheme furlough reclaim	-	19
Research and development tax credit	40	79
	<u>40</u>	<u>98</u>

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

#### 5 Directors' remuneration

	2022 £'000	2021 £'000
Remuneration paid to directors	<u>285</u>	<u>285</u>

Some directors of the entity are also remunerated through fellow group undertakings. During the year £133,000 (2021: £136,000) of directors' salaries were recharged to Readypower Terrawise Limited from fellow group undertakings.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 6 Employees

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

	2022 Number	2021 Number
Directors	2	2
Direct staff	35	31
Administration	7	6
	<u>44</u>	<u>39</u>

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	2,729	2,578
Social security costs	336	282
Other pension costs	63	59
	<u>3,128</u>	<u>2,919</u>

#### 7 Operating profit

	2022 £'000	2021 £'000
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	93	84
Profit/(loss) on disposal of tangible fixed assets	2	(9)
Operating lease charges	25	24
	<u>120</u>	<u>99</u>

#### 8 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest income		
Bank interest received	-	3
	<u>-</u>	<u>3</u>

#### 9 Tax on profit

	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profits for the current year	33	152
Group relief	321	-
Adjustments in respect of prior periods	8	4
Total current tax	<u>362</u>	<u>156</u>

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 9 Tax on profit (continued)

	2022 £'000	2021 £'000
<b>Deferred tax</b>		
Origination and reversal of timing differences	7	(6)
Changes in tax rates	4	-
Total deferred tax	<u>11</u>	<u>(6)</u>
Total tax charge	<u>373</u>	<u>150</u>

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

	2022 £'000	2021 £'000
Profit before taxation	<u>1,951</u>	<u>843</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	371	160
Tax effect of expenses that are not deductible in determining taxable profit	1	1
Fixed asset timing difference	(5)	-
RDEC Income	(8)	(15)
Adjustments in respect of prior periods	8	4
Effect of change in corporation tax rate	6	-
Group relief claimed	(321)	-
Payment for group relief	321	-
Total tax charge	<u>373</u>	<u>150</u>

#### 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%.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Tangible assets

	Plant and equipment £'000	Fixtures and fittings £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
At 1 April 2021	136	4	14	318	472
Additions	9	1	-	76	86
Disposals	(7)	(2)	(12)	(15)	(36)
At 31 March 2022	138	3	2	379	522
<b>Accumulated depreciation</b>					
At 1 April 2021	67	2	14	136	219
Depreciation charged in year	13	1	-	79	93
Disposals	(5)	(2)	(12)	(11)	(30)
At 31 March 2022	75	1	2	204	282
<b>Carrying amount</b>					
At 31 March 2022	63	2	-	175	240
At 31 March 2021	69	2	-	182	253

#### 11 Debtors

	2022 £'000	2021 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	1,427	1,152
Accrued income	2,759	1,279
Amounts owed by group undertakings	2,342	2,265
Other debtors	477	25
	<u>7,005</u>	<u>4,721</u>

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

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 12 Creditors: amounts falling due within one year

	Note	2022 £'000	2021 £'000
Bank loans	13	-	11
Trade creditors		890	486
Amounts owed to group undertakings		1,275	926
Corporation tax		153	130
Other taxation and social security		135	167
Other creditors	14	29	217
Accruals		658	643
		<u>3,140</u>	<u>2,580</u>

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

Other creditors include £29,000 (2021: £217,000) relating to short term warranty provisions. The total movements on warranty provisions is reported in note 14.

#### 13 Borrowings

	2022 £'000	2021 £'000
Bank loans	-	11
Payable within one year	-	11

As part of the purchase of the Readypower Group by Angel Trains Limited, all bank loans within Readypower Terrawise Limited were repaid.

#### 14 Provisions for other liabilities

	2022 £'000	2021 £'000
Long term warranty provision	214	139
Deferred tax liabilities	23	12
	<u>237</u>	<u>151</u>

The total warranty provision relates to a short term & long term element. The short term provision is reported in note 12 and the movement on both elements is summarised below.

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Provisions for other liabilities (continued)

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Short term warranty provisions £'000	Long term warranty provisions £'000	Total warranty provisions £'000
At 1 April 2021	217	139	356
(Decrease)/increase in provision	(188)	140	(48)
Usage of provision	-	(65)	(65)
At 31 March 2022	29	214	243

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 8.

#### 16 Called-up share capital

	2022 £'000	2021 £'000
Ordinary share capital Issued and fully paid 75 (2021: 75) Ordinary shares of £1 each	-	-

#### 17 Capital redemption reserve

The capital redemption reserve represents cumulative non-distributable reserves as a result of buy back of the Company's own shares.

#### 18 Operating lease commitments

##### Lessee

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

	2022 £'000	2021 £'000
Within one year	3	4
Between one and five years	2	2
	5	6

Operating lease costs recognised within administrative expenses for the year were £25,000 (2021: £24,000).

# READYPOWER TERRAWISE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 19 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.

#### 20 Controlling party

Readypower Rail Services Group Limited, a company incorporated in the United Kingdom, is the immediate parent company.

Readypower Group Limited is the smallest and largest group for which consolidated accounts including Readypower Rail Services 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.

