

**Company Registration No. 02681963 (England and Wales)**

**READYPOWER RAIL SERVICES LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2023**

# READYPOWER RAIL SERVICES LIMITED

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# READYPOWER RAIL SERVICES LIMITED

## COMPANY INFORMATION

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**Directors**

W G Devanney  
R G Jack  
D C Matthews  
J R Oliver  
J R Stanford

**Company number**

02681963

**Registered office**

Unit 620 Wharfedale Road  
Winnersh  
Wokingham  
Berkshire  
RG41 5TP

**Independent Auditors**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

# READYPOWER RAIL SERVICES LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present the Strategic Report for Readypower Rail Services Limited (the “company”) for the year ended 31 December 2023.

#### Review of business and future developments

The company delivered another strong year with sales of £49.7 million (9 months to 31 December 2022: £33.6 million), EBITDA of £11.4 million (9 months to 31 December 2022: £9.1 million) and operating profit of £5.6 million (9 months to 31 December 2022: £5.4 million).

The company continued its strategy of investment in capital assets by adding significant capability and more environmentally friendly assets to its fleet during the year, with £4.3 million (9 months to 31 December 2022: £3.3 million) spent on Road Rail Vehicles (RRVs), RRV upgrades and associated equipment and attachments. Furthermore, £7.6m of assets were transferred to the company from Total Rail Solutions Limited, following its acquisition by Readypower Group Limited.

Continuing our drive to improve efficiency, provide cost-effective solutions and reduce environmental impact for our customers. As at 31 December 2023 57% (31 December 2022: 48%) of our RRV fleet has environmentally friendly Tier 4 or 5 engines.

#### Key performance indicators

The company’s key financial performance indicators at the year-end were:

	<b>Year to 31 December 2023</b>	<b>9 months to 31 December 2022</b>
Turnover	£49.7 million	£33.6 million
EBITDA	£11.4 million	£9.1 million
Operating profit	£5.6 million	£5.4 million
	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Net assets	£34.8 million	£33.0 million
Rail PPS reliability %	99.4%	99.4%

- Turnover is defined as revenue from services provided in the normal course of business;
- Operating profit is defined as turnover less cost of sales and administrative expenses as disclosed in the Statement of Comprehensive Income on page 14;
- EBITDA is defined as operating profit plus depreciation, amortisation and exceptional items;
- 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 and property to position the company for future growth.

# READYPOWER RAIL SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **Future developments**

The company 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 the company, and we continue to investigate ways that we can improve this for our staff, suppliers and customers.

We believe that despite the uncertain market conditions caused by the Ukrainian war and Strike action the company 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 company 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 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 company has no external bank debt, though has an interest-bearing inter-company loan unsecured with The Great Rolling Stock Company Plc. 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.

# READYPOWER RAIL SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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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.
- **Capital Investment Program:** The company'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 company has an operational hub in each of the five Network Rail regions and is well positioned to serve its customers. The company 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.

#### 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.

The directors of the company are also executive directors of Readypower Group Limited and its subsidiaries (the "Group") of which the company is a part, and therefore the company is managed as part of the wider Group. 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 key stakeholders of the Group are:

<b>Stakeholder</b>	<b>Why they are important</b>
Our investors and shareholders	Our shareholders are the providers of capital without who support our growth and investment for future success.
Our people	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.

# READYPOWER RAIL SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### **Section 172(1) statement(continued)**

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 company 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 management 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 of Readypower Rail Services Limited have worked with the Group to make a number of Group-wide strategic moves in the year including continued investment in capital assets and review of potential acquisitions and new territories.

#### ***Engagement with employees***

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 strategic reviews and 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.

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

#### ***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 always maintained, 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.

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.

# READYPOWER RAIL SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### Section 172(1) statement(continued)

##### ***Impact on the environment***

The company 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. We are very conscious of our environmental footprint and look 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, be more fuel efficient 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 our haulage fleet with the latest technology every 4-5 years. We use trailers with fold down ramps to lessen the drag effect and get better miles per gallon from our fleet.

We provide fully electric cars as an option to our management teams and provide self-charging hybrid vans for our operational staff. These 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 Sustainability group, drawn from employees throughout the Group, helps enable the Readypower Group to deliver our operations and administration efficiently and effectively through the adoption of sustainable principles and practices. We are engaged with the Supply Chain Sustainability School which requires the Group to re-assess our activities 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 of the Group 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 G Jack  
**Director**

Date: 19 April 2024



# READYPOWER RAIL SERVICES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their annual report and audited financial statements for the year ended 31 December 2023.

#### Principal activities

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

W G Devanney	
R G Jack	
D C Matthews	(appointed 15 May 2023)
J R Oliver	(appointed 15 May 2023)
J R Stanford	(appointed 15 May 2023)
J M Crossen	(resigned 7 September 2023)

#### Dividends

No interim dividend was paid during the year (9 months to 31 December 2022: £nil). The directors do not recommend payment of a final dividend.

#### Employee engagement

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

#### Stakeholder engagement

The company is required to set out the performance and development of the business of the Group during the year ending 31 December 2023, the position of the Group as at 31 December 2023 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 of business activities, risk and future developments are shown in the strategic report on pages 3-5.

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

The directors are responsible for the keeping of 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 LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### Carbon emissions reporting

During the year ended 31 December 2023 we collected data on energy use across all our operations in the UK. The majority of the company'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 company's facilities.

The company is taking active steps to reduce GHG emissions through its continued program of upgrades to both the RRV and van fleet. The company'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.

<b>GHG Emissions</b>	<b>December 2023</b>	<b>December 2022</b>
Total CO <sub>2</sub> e (tonnes)	4,917	3,238
Scope 1 CO <sub>2</sub> e (tonnes) <sup>a</sup>	4,805	3,167
Scope 2 CO <sub>2</sub> e (tonnes) <sup>b</sup>	100	63
Scope 3 CO <sub>2</sub> e (tonnes) <sup>c</sup>	12	8

#### Intensity Ratio

Total turnover (£'000) <sup>d</sup>	49,690	33,551
Total CO <sub>2</sub> e (tonnes) per thousand pounds of turnover	0.099	0.097

#### Energy consumption

Energy consumption used to calculate above emissions (kWh) <sup>e</sup>	19,313,730	12,683,698
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#### Notes

<sup>a</sup> Scope 1 covers direct combustion of fuels from RRVs and company owned vehicles, and gas used in our UK offices

<sup>b</sup> Scope 2 covers emissions from electricity purchased for own use

<sup>c</sup> Scope 3 covers indirect emissions from business travel, primarily fuel used in vehicles owned by employees

<sup>d</sup> Machine hours represent the total number of hours our RRV fleet worked for our client base during the financial year

<sup>e</sup> 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 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 UK-adopted international accounting standards.

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 UK-adopted international accounting standards 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.

# READYPOWER RAIL SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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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.

#### **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 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 company's auditors are aware of that information.

#### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

On behalf of the board



.....  
R G Jack

**Director**

Date: 19 April 2024

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYPOWER RAIL SERVICES LIMITED

## Report on the audit of the financial statements

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### Opinion

In our opinion, Readypower Rail Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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: the balance sheet as at 31 December 2023; the statement of comprehensive income, the statement of changes in equity and the cash flow statement 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 company 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 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 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.

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.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYPOWER RAIL SERVICES LIMITED

## Report on the audit of the financial statements

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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 December 2023 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 company and its 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 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 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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with tax legislation and with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. 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 PPE);
- Challenging assumptions and judgements made by management in their accounting estimates.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF READYPOWER RAIL SERVICES LIMITED

## Report on the audit of the financial statements

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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](http://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 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  
19 April 2024

# READYPOWER RAIL SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

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		Year ended 31 December 2023 £'000	9 month period ended 31 December 2022 £'000
	<b>Note</b>		
<b>Turnover</b>	<b>2</b>	49,690	33,551
Cost of sales		<u>(34,391)</u>	<u>(22,542)</u>
<b>Gross profit</b>		15,299	11,009
Administrative expenses		<u>(9,725)</u>	<u>(5,627)</u>
<b>Operating profit</b>	<b>3</b>	5,574	5,382
Finance income	<b>6</b>	113	42
Finance costs	<b>7</b>	<u>(3,345)</u>	<u>(575)</u>
<b>Profit before income tax</b>		2,342	4,849
Income tax expense	<b>8</b>	<u>(606)</u>	<u>(145)</u>
<b>Profit attributable to the owners</b>		<u>1,736</u>	<u>4,704</u>
<b>Total comprehensive income</b>		<u>1,736</u>	<u>4,704</u>

# READYPOWER RAIL SERVICES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

Company Registration No. 02681963

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	186	245
Property, plant and equipment	10	35,016	25,866
Right-of-use assets	11	3,876	3,403
		<u>39,078</u>	<u>29,514</u>
<b>Current assets</b>			
Inventories	12	536	444
Trade and other receivables	13	80,739	55,753
Current tax receivable		1,279	1,588
Cash and cash equivalents		1,523	2,073
		<u>84,077</u>	<u>59,858</u>
<b>Total assets</b>		<b><u>123,155</u></b>	<b><u>89,372</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	(79,611)	(48,766)
Short term lease liabilities	11	(1,282)	(739)
		<u>(80,893)</u>	<u>(49,505)</u>
<b>Non-current liabilities</b>			
Provisions for other liabilities and charges	15	(900)	(304)
Deferred tax liability	16	(3,355)	(3,661)
Long term lease liabilities	11	(3,247)	(2,878)
		<u>(7,502)</u>	<u>(6,843)</u>
<b>Total Liabilities</b>		<b><u>(88,395)</u></b>	<b><u>(56,348)</u></b>
<b>Net assets</b>		<b><u>34,760</u></b>	<b><u>33,024</u></b>
<b>Capital and reserves</b>			
Called-up share capital	18	-	-
Retained earnings		34,760	33,024
<b>Total equity</b>		<b><u>34,760</u></b>	<b><u>33,024</u></b>

The notes on pages 18 to 36 are an integral part of these financial statements.

The financial statements on pages 14 to 36 were approved by the board of directors and authorised for issue on 19 April 2024 and signed on its behalf by:



.....  
W G Devanney  
Director



# READYPOWER RAIL SERVICES LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

Company Registration No. 02681963

		Year ended 31 December 2023 £'000	9 month period ended 31 December 2022 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	7,454	7,054
Interest received		113	42
Tax received		405	-
<b>Net cash generated from from operating activities</b>		<b>7,972</b>	<b>7,096</b>
<b>Cash flows from investing activities</b>			
Cash transferred from group undertaking		61	-
Purchase of intangible assets		(22)	(168)
Purchase of property, plant and equipment		(6,390)	(4,523)
Proceeds on disposal of property, plant and equipment		384	389
<b>Net cash used in investing activities</b>		<b>(5,967)</b>	<b>(4,302)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		30,070	-
Repayment of borrowings		(4,294)	(5,071)
Loans to other group companies		(27,569)	-
Repayment of lease liabilities		(567)	(361)
Repayment of interest on leases		(195)	(157)
<b>Net cash used in financing activities</b>		<b>(2,555)</b>	<b>(5,589)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(550)</b>	<b>(2,795)</b>
Cash and cash equivalents at the beginning of the year/period		2,073	4,868
<b>Cash and cash equivalents at the end of the year/period</b>		<b>1,523</b>	<b>2,073</b>

# READYPOWER RAIL SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Called-up share capital £'000	Profit and loss reserves £'000	Total equity £'000
<b>Balance at 1 April 2022</b>	-	28,320	28,320
<b>Period ended 31 December 2022:</b>			
Profit and total comprehensive income for the financial period	-	4,704	4,704
<b>Balance at 31 December 2022</b>	-	33,024	33,024
<b>Year ended 31 December 2023:</b>			
Profit and total comprehensive income for the financial year	-	1,736	1,736
<b>Balance at 31 December 2023</b>	-	34,760	34,760

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Company information

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

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 UK-adopted international accounting standards ("IAS") and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

##### 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 thousand pounds sterling.

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

The preparation of financial statements in conformity with IAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

##### 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### Adoption of the new and revised Standards

##### New and amended IFRS standards that are effective for the current year

At the date of authorisation of these financial statements, the following amended standards were effective for accounting periods beginning on 1 January 2023 but did not have a material impact on the Company's financial statements:

- IFRS 17 - 'Insurance contracts'
- IAS 1 (amendment) - 'Presentation of Financial Statements' - Disclosure of Accounting Policies
- IAS 8 (amendment) - 'Accounting Policies, Changes in Accounting Estimates and Errors'
- IAS 12 (amendment) - 'Income Taxes'

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### **Adoption of the new and revised Standards (continued)**

The following standards, amendments and interpretations to existing standards have been issued but are effective for accounting periods beginning after 1 January 2023, and the Company has not early adopted them:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures
- IFRS16 (amendments) - Lease liability in a Sale and Leaseback
- IAS1 (amendments) - Classification of Liabilities as Current or Non-Current
- IAS1 (amendments) - Non-current Liabilities with Covenants
- IAS 7 and IFRS 7 (amendments) - Supplier Finance Arrangements
- IAS 21 (amendments) - Lack of Exchangeability
- Amendments to the SASB standards to enhance their international applicability

##### **Critical 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***

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

##### ***Useful lives of plant and equipment***

The company periodically reviews the useful economic lives. For the current year, the directors have considered the current estimate of useful economic lives to be supportable 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.

##### ***Critical accounting estimates***

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

##### ***Forecasts and discount rates***

As described in the impairment of fixed assets policy below the company reviews the carrying amounts of its fixed assets and in particular 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 company performs robust cash flow forecasts, which are regularly reviewed by directors.

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### ***Incremental borrowing rates***

Incremental borrowing rates are used in calculating the discounted lease liabilities with respect to leases on both property and vehicles. Incremental borrowing rates used in these calculations are derived from the company's rate of borrowing on its loan with The Great Rolling Stock Company PLC, a fellow group company, and further information is given in note 14. The weighted average incremental borrowing rate applied to measure lease liabilities during the year was 5.99% for both property and vehicles.

##### ***Long term incentive plan accrual***

The management of the company and the wider Group are incentivised partly through a long term incentive plan. The plan is based on the performance of the Group over a long term period, and hence incentives are accrued based on long term forecasts, which are dependent on future estimates. Estimates are continually monitored and the plan accrual updated if estimates significantly change.

##### **Revenue recognition**

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

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 operated asset hire and Plant Operating Scheme services are recognized as services are performed. Services represent 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.

##### **Exceptional costs**

Exceptional items are transactions that result from the operational activities of the company but are separately disclosed due to the fact that they are material, unusual in nature and infrequent in occurrence.

Exceptional items are measured at the actual amounts incurred or realised. The nature and amount of exceptional items, as well as their impact on the financial statements, are disclosed in the notes to the financial statements.

##### **Intangible fixed assets**

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.

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### Intangible fixed assets (continued)

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

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

Software 3 - 5 years straight line

##### Tangible fixed assets

Tangible fixed assets are measured at cost net of accumulated 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 company 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.

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	
Road rail vehicles	10 years
Machine upgrades	7 years
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 the statement of comprehensive income.

##### Assets under construction

Assets under construction are recognised as assets when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Assets under construction are initially measured at cost, which includes all costs directly attributable to bringing the asset to its intended condition and location for use.

Depreciation of assets under construction does not commence until the assets are ready for their intended use. Once the construction is completed and the assets are ready for use, they are transferred to the appropriate asset category and depreciation commences in accordance with the Group's depreciation policy. Assets under construction are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If impairment is identified, the carrying amount of the asset is written down to its recoverable amount, and a loss is recognised in the Statement of Comprehensive Income.

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### Right-of-use assets

The company makes use of leasing arrangements principally for the provision of office and workshop space, and motor vehicles. The rental contracts for offices are typically negotiated for terms of between 5 and 15 years. Leases for motor vehicles have terms of 3 years.

At lease commencement date the company recognises a right-of-use asset and a lease liability in its balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, being the present value of all lease payments unpaid at that date, discounted using the company's incremental borrowing rate.

The company depreciates the right-of-use asset on a straight line basis from the lease commencement date to the end of the lease term. The company also assesses the right-of-use asset for impairment when such indicators exist.

##### 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 the statement of comprehensive income.

##### 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 the statement of comprehensive income. Reversals of impairment losses are also recognised in the statement of comprehensive income.

##### Cash at bank and in hand

Cash at bank and in hand are basic financial instruments and include cash in hand and deposits held at call with banks.

##### 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 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### ***Basic financial assets***

Basic financial assets, which include trade and other receivables, 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 the statement of comprehensive income.

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 the statement of comprehensive income.

Trade receivables are recognised at their original amount less an allowance for any doubtful amounts. A provision for impairment of trade receivables is recognised based on lifetime expected credit losses at each reporting date.

##### ***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 and other payables, 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.



# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies (Continued)

##### **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 the statement of comprehensive income, 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.

##### **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 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 the statement of comprehensive income 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.

#### 2 Turnover

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

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

3	Operating profit	9 month	
		Year ended 31 December	period ended 31 December
		2023	2022
		£'000	£'000
	Operating profit for the year/period is stated after charging/(crediting):		
	Fees payable to the company's auditors for the audit of the company's financial statements	72	85
	Depreciation of owned tangible fixed assets	4,717	3,295
	Depreciation of right-of-use assets	1,011	386
	Profit on disposal of tangible fixed assets	(140)	(323)
	Amortisation of intangible assets	81	38
	Exceptional costs	306	-
	Operating lease charges	42	25

Of the depreciation charge £3,921,000 (9 months to 31 December 2022: £2,814,000) is reported within cost of sales and £1,807,000 (9 months to 31 December 2022: £880,000) is within administrative expenses. There were no fees charged by the auditors for other non-audit services during the period (9 months to 31 December 2022: £nil).

Exceptional costs of £306,000 (9 months to 31 December 2022: £nil) relate to restructuring costs incurred following the transfer of the trade and assets of Total Rail Solutions Limited which was acquired by ReadyPower Group Limited during the financial year.

4	Directors' remuneration	9 month	
		Year ended 31 December	period ended 31 December
		2023	2022
		£'000	£'000
	Aggregate emoluments	88	-
	Highest paid director	88	-

One director is remunerated by the company, and the remaining directors of the company are remunerated through fellow group undertakings. During the year/period £795,000 (9 months to 31 December 2022: £104,000) of directors' salaries were recharged to ReadyPower Rail Services Limited from fellow group undertakings.

### 5 Employees

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

	9 month	
	Year ended 31 December	period ended 31 December
	2023	2022
	Number	Number
Directors	1	3
Direct staff	196	185
Administration	50	58
	247	246

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 5 Employees (continued)

Their aggregate remuneration comprised:

	9 month	
	Year ended	period ended
	31 December	31 December
	2023	2022
	£'000	£'000
Wages and salaries	15,029	8,780
Social security costs	1,370	941
Other pension costs	224	164
	<u>16,623</u>	<u>9,885</u>

#### 6 Finance income

	9 month	
	Year ended	period ended
	31 December	31 December
	2023	2022
	£'000	£'000
Bank interest received	113	42
	<u>113</u>	<u>42</u>

#### 7 Finance costs

	9 month	
	Year ended	period ended
	31 December	31 December
	2023	2022
	£'000	£'000
Interest payable to group undertakings	3,151	417
Interest payable for finance leases	194	158
	<u>3,345</u>	<u>575</u>

#### 8 Income tax expense

	9 month	
	Year ended	period ended
	31 December	31 December
	2023	2022
	£'000	£'000
<b>Current tax</b>		
Group relief	(62)	(683)
Adjustments in respect of prior periods	48	-
Total current tax	<u>(14)</u>	<u>(683)</u>

	9 month	
	Year ended	period ended
	31 December	31 December
	2023	2022
	£'000	£'000
<b>Deferred tax</b>		
Origination and reversal of timing differences	677	830
Adjustments in respect of prior periods	(57)	(2)
Total deferred tax	<u>620</u>	<u>828</u>
Total tax charge	<u>606</u>	<u>145</u>

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Income tax expense (continued)

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

	<b>9 month</b>	
	<b>Year ended</b>	<b>period ended</b>
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	2,342	4,849
Expected tax charge based on the standard rate of corporation tax in the UK of 23.52% (period ended 31 December 2022: 19.00%)	551	919
Tax effect of expenses that are not deductible in determining taxable profit	24	20
Fixed asset timing difference	-	(269)
Adjustments in respect of prior periods	(9)	(2)
Effect of change in corporation tax rate	40	199
Transfer pricing adjustments	-	(310)
Group relief claimed	-	(412)
Total tax charge	606	145

### 9 Intangible assets

	<b>Software</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 April 2022	223
Additions	168
At 1 January 2023	391
Additions	22
At 31 December 2023	413
<b>Accumulated amortisation</b>	
At 1 April 2022	108
Amortisation charged in the period	38
At 1 January 2023	146
Amortisation charged in the year	81
At 31 December 2023	227
<b>Carrying amount</b>	
At 31 December 2023	186
At 31 December 2022	245

The intangible asset, software, represents capitalised cost of the operations system developed during 2019, and capitalised costs of the new Finance system that went live during 2022.

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 10 Property, plant and equipment

	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 April 2022	648	48,427	1,115	268	4,010	54,468
Additions	929	2,378	83	48	1,085	4,523
Transfers	(372)	372	-	-	-	-
Disposals	-	(894)	-	-	(371)	(1,265)
At 1 January 2023	1,205	50,283	1,198	316	4,724	57,726
Additions	4,098	7,841	166	72	2,012	14,189
Transfers	(2,665)	2,665	-	-	-	-
Disposals	(69)	(457)	-	-	(565)	(1,091)
At 31 December 2023	2,569	60,332	1,364	388	6,171	70,824
<b>Accumulated depreciation</b>						
At 1 April 2022	-	26,209	319	162	3,074	29,764
Depreciation charged in the year	-	2,807	94	39	355	3,295
Disposals	-	(829)	-	-	(370)	(1,199)
At 1 January 2023	-	28,187	413	201	3,059	31,860
Depreciation charged in the year	-	3,839	130	53	695	4,717
Disposals	-	(355)	-	1	(415)	(769)
At 31 December 2023	-	31,671	543	255	3,339	35,808
<b>Carrying amount</b>						
At 31 December 2023	<b>2,569</b>	<b>28,661</b>	<b>821</b>	<b>133</b>	<b>2,832</b>	<b>35,016</b>
At 31 December 2022	1,205	22,096	785	115	1,665	25,866

Depreciation is calculated using the straight line method to allocate the depreciable amount to their residual values over their estimated useful lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 11 Leases

The weighted average incremental borrowing rate applied to measure lease liabilities is 5.99% for both property and motor vehicles.

The company leases office buildings and vehicles. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions. Office buildings are leased for fixed periods of between 5 to 15 years, with lease payments being fixed. Vehicles are leased for a fixed period of 3 years.

Leases of some office spaces and vehicles are on a short term basis and the costs are recognised on a straight line basis during the financial period.

The balance sheet shows a separate line item for right-of-use assets, which comprises the following:

	Property £'000	Vehicles £'000	Total £'000
<b>Balance as at 1 April 2022</b>	3,537	-	3,537
Additions - new lease contracts	-	252	252
Depreciation	(379)	(7)	(386)
<b>Balance as at 1 January 2023</b>	3,158	245	3,403
Additions - new lease contracts	700	784	1,484
Depreciation	(927)	(84)	(1,011)
<b>Balance as at 31 December 2023</b>	<u>2,931</u>	<u>945</u>	<u>3,876</u>

The balance sheet shows separate line items for short term and long term lease liabilities, which comprise the following:

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
<b>Short term lease liabilities:</b>		
Property	853	650
Vehicles	429	89
<b>Total short term lease liabilities</b>	<u>1,282</u>	<u>739</u>
<b>Long term lease liabilities:</b>		
Property	2,772	2,727
Vehicles	475	151
<b>Total long term lease liabilities</b>	<u>3,247</u>	<u>2,878</u>

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 11 Leases (Continued)

The maturity of the contractual undiscounted cash flows is as follows:

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Less than one year	1,320	671
One to five years	2,928	2,199
More than five years	1,082	1,318
	<u>5,330</u>	<u>4,188</u>

Amounts recognised in the income statement under IFRS 16 are as follows:

	Year ended 31 December 2023 £'000	9 month period ended 31 December 2022 £'000
Depreciation charge of right-of-use assets	1,011	386
Interest expense on lease liabilities	194	158
Expenses related to short term leases	42	25
	<u>1,247</u>	<u>569</u>

### 12 Inventories

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Parts and consumables	536	444

Inventories are stated after provisions for impairment of £75,000 (2022: £75,000).

### 13 Trade and other receivables

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Trade receivables		8,691	7,990
Amounts owed by group undertakings	23	70,681	46,717
Other receivables		640	683
Prepayments and accrued income		727	363
		<u>80,739</u>	<u>55,753</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 RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 14 Trade and other payables

		As at 31 December 2023	As at 31 December 2022
	Note	£'000	£'000
Trade payables		2,143	1,472
Amounts owed to group undertakings	23	74,280	44,361
Other taxation and social security		801	295
Other payables		510	190
Accruals and deferred income		1,877	2,448
		<u>79,611</u>	<u>48,766</u>

The balance owed to group undertakings includes a loan from The Great Rolling Stock Company Plc of £71,569,000 (2022: £42,642,000). The loan attracts an interest rate of 5.99% and is unsecured. There is no fixed date of repayment and it is repayable on demand.

The following tables detail the remaining undiscounted contractual maturities for financial liabilities.

	Within one year	One to five years	More than five years	Total
<b>As at 31 December 2023</b>	£'000	£'000	£'000	£'000
Trade payables	2,143	-	-	2,143
Amounts owed to group undertakings	74,280	-	-	74,280
Lease liabilities	1,320	2,928	1,082	5,330
	<u>77,743</u>	<u>2,928</u>	<u>1,082</u>	<u>81,753</u>

	Within one year	One to five years	More than five years	Total
<b>As at 31 December 2022</b>	£'000	£'000	£'000	£'000
Trade payables	1,472	-	-	1,472
Amounts owed to group undertakings	44,361	-	-	44,361
Lease liabilities	671	2,199	1,318	4,188
	<u>46,504</u>	<u>2,199</u>	<u>1,318</u>	<u>50,021</u>



# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 15 Provisions for other liabilities and charges

	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Long term incentive plan		
Opening balance	304	-
Charged to the statement of comprehensive income in the year/period	237	304
Closing balance	<u>541</u>	<u>304</u>

Provisions for liabilities and charges also contains £359,000 (2022: £nil) for dilapidations.

#### 16 Deferred tax liability

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

	Liabilities As at 31 December 2023 £'000	Liabilities As at 31 December 2022 £'000
<b>Balances:</b>		
Accelerated capital allowances	4,907	3,738
Short term timing differences	(169)	(77)
Tax losses and other deductions	(1,383)	-
	<u>3,355</u>	<u>3,661</u>

The following are the major deferred tax assets and liabilities recognised by the company, and the movement thereon, during the current year and prior period.

	Accelerated capital allowances £'000	Short term timing differences £'000	Tax losses and other deductions £'000	Total £'000
At 1 April 2022	2,835	(2)	-	2,833
Charge/(credit) to the income statement for the period	903	(73)	-	830
Adjustments to prior years	-	(2)	-	(2)
At 1 January 2023	<u>3,738</u>	<u>(77)</u>	<u>-</u>	<u>3,661</u>
Charge/(credit) to the income statement for the year	739	(62)	-	677
Adjustments to prior years	(51)	(6)	-	(57)
Transfers from other Group companies	481	(24)	(1,383)	(926)
At 31 December 2023	<u>4,907</u>	<u>(169)</u>	<u>(1,383)</u>	<u>3,355</u>

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

17 Retirement benefit schemes	9 month	
	Year ended 31 December 2023 £'000	period ended 31 December 2022 £'000
<b>Defined contribution schemes</b>		
Charge to the statement of comprehensive income in respect of defined contribution schemes	224	164

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions of £38,000 (2022: £34,000) were payable to the fund at the balance sheet date.

18 Called-up share capital	As at 31 December 2023 £'000	As at 31 December 2022 £'000	As at 31 March 2022 £'000
	<b>Ordinary share capital</b>		
<b>Authorised</b>			
1,000 (2022: 1,000) Ordinary shares of £1 each	1	1	1
<b>Issued and fully paid</b>			
100 (2022: 100) Ordinary shares of £1 each	-	-	-

### 19 Financial instruments

Numerical financial instrument disclosures are set out below.

In accordance with IFRS 9, "Financial instruments", management has reviewed contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. No such embedded derivatives were found.

financial assets and liabilities	As at 31 December 2023 Book value £'000	As at 31 December 2023 Fair value £'000	As at 31 December 2022 Book value £'000	As at 31 December 2022 Fair value £'000
	<b>Financial assets held at amortised cost:</b>			
Trade and other receivables	80,012	80,012	55,390	55,390
Cash and cash equivalents	1,523	1,523	2,073	2,073
<b>Other financial liabilities:</b>				
Trade and other payables	79,611	79,611	48,766	48,766

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 19 Financial instruments (Continued)

The fair values are based on book values as due to the short term nature of trade and other receivables and trade and other payables the directors consider that there is no material difference between the book value and the fair value.

#### 20 Contingent liabilities

The company is guarantor in respect of the following group undertakings:

The Great Rolling Stock Company PLC and Angel Trains Group Limited:

Senior term and revolving credit facilities agreements of £2,447,558,000, of which £1,742,558,000 remains outstanding (2022: £2,073,044,000, of which £1,723,044,000 remained outstanding).

Willow Holdco 1 Limited:

Junior facility agreements of £266,000,000, of which £266,000,000 has been drawn down (2022: £325,000,000, of which £325,000,000 was drawn down).

The Great Rolling Stock Company PLC:

Bond programme for the issuance of secured guaranteed notes of £4,000,000,000, of which £607,200,000 has been drawn down (2022: £4,000,000,000, of which £665,416,000 was drawn down).

#### 21 Cash generated from operations

	9 month	
	Year ended	period ended
	31 December	31 December
	2023	2022
	£'000	£'000
Operating profit	5,574	5,382
<b>Adjustments for:</b>		
Gain on disposal of property, plant and equipment	(140)	(323)
Amortisation of intangible fixed assets	81	38
Depreciation of property, plant and equipment	4,717	3,295
Depreciation of right-of-use assets	1,011	386
Increase in provisions	236	304
<b>Changes in working capital:</b>		
Increase in inventories	(92)	-
Decrease/(increase) in trade and other receivables	3,418	(2,659)
(Decrease)/increase in trade and other payables	(7,351)	631
<b>Cash generated from operations</b>	<b>7,454</b>	<b>7,054</b>

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 22 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents, share capital as disclosed in note 18 and retained earnings.

#### 23 Related party transactions

During the period, the Company had the following transactions with related parties:

##### 31 December 2023

	Income/ Interest received £'000	Purchases/ Interest paid £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
The Great Rolling Stock Company Plc	-	(3,151)	-	(71,569)
Parent	91	(1,344)	68,238	-
Fellow subsidiaries	1,846	(3,029)	2,443	(2,711)
Total	<u>1,937</u>	<u>(7,524)</u>	<u>70,681</u>	<u>(74,280)</u>

##### 31 December 2022

	Income/ Interest received £'000	Purchases/ Interest paid £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
The Great Rolling Stock Company Plc	-	(417)	-	(42,642)
Parent	6	(104)	46,062	-
Fellow subsidiaries	1,062	(241)	655	(1,719)
Total	<u>1,068</u>	<u>(762)</u>	<u>46,717</u>	<u>(44,361)</u>

Amounts owed to fellow group undertakings are unsecured, repayable on demand and conducted under business like market conditions.

During the year the company repaid £4,294,000 (9 months to December 2022: £4,000,000) on its loan with The Great Rolling Stock Company Plc, a company within the wider Willow Topco Limited group of companies of which Readypower Rail Services Limited is a part. During the year an additional loan of £30,070,000 was made to the company by The Great Rolling Stock Company Plc. At the end of the financial year/period an amount of £71,569,000 (2022: £42,642,000) was outstanding and included within amounts owed to group undertakings. These amounts are unsecured, repayable on demand and conducted under business like market conditions. These amounts also attract interest as described in note 14.

# READYPOWER RAIL SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 24 Controlling party

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

The smallest group of undertakings to consolidate these financial statements is Angel Trains Group Limited with its registered office at 27 Hill Street, St Helier, JE2 4UA, Jersey.

The company's ultimate holding company, ultimate controlling party and the parent of the largest group into which the company is consolidated is Willow Topco Limited which is incorporated in Jersey. The registered office is 27 Hill Street, St Helier, JE2 4UA, Jersey.