

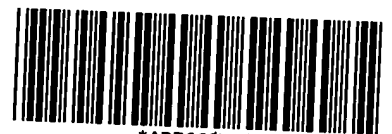
Registration number: 06252002

1st Inrail Limited

Annual Report and Financial Statements

for the Period from 1 December 2022 to 31 March 2024

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1st Inrail Limited

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1st Inrail Limited

Company Information

Directors	C A Elms A S Draper J A Heeley S D Jackson A L G Maye A A Ryder R Stevenson E Taylor
Company secretary	S Evans
Registered office	Spring Lodge 172 Chester Road Helsby Cheshire WA6 0AR
Auditors	BDO LLP Eden Building Irwell Street M3 5EN

1st Inrail Limited

Strategic Report for the Period from 1 December 2022 to 31 March 2024

The directors present their strategic report for the period from 1 December 2022 to 31 March 2024.

During the year the Company changed its year end to align with other RSK Group companies. As such the Financial Statements are for the 16 month period from 1 December 2022 to 31 March 2024. The prior year comparatives are for the year ended 30 November 2022.

Principal activity

The principal activity of the company is providing consultancy, project management and skilled personnel to the rail industry.

Fair review of the business

1st Inrail Limited is based in London and specialises in P-Way engineering for all track types, from feasibility through to commissioning. The Company delivers planned and reactive rail work throughout the UK with 15 Personal Track Safety (PTS) mobile teams. In addition, it provides over 300 London Underground trained and competent personnel each night on track. The Company has been trading for over 17 years delivering planned and reactive track repair, renewals and installation services. It has built up a strong reputation for providing a high quality service to clients, quality solutions and a commitment to health and safety whilst managing the social and environmental impacts of the business.

1st Inrail Limited joined the RSK Group in May 2023 and is capitalising on the opportunities available providing services to other companies within RSK and benefiting from the services that the other group companies can offer.

Results for the year

The Company has reported turnover of £37.40m for the 16 months (2022: £24.62m (12 month period) and post-tax profits of £2.47m (2022: £1.76m). The Company has total shareholder funds of £5.99m as of 31st March 2024 (30th November 2022: £5.57m). A significant contract was received in Gosforth for the Installation of new track in Depot in Oct/Nov 23, leading to an increase in turnover and operating profit this financial period.

Key performance indicators

The directors monitor several Key Performance Indicators (KPIs) and debate the company performance relative to those KPI at board meetings and divisional meetings. KPIs include:

- Carbon Emissions;
- Training;
- Net Fee income;
- Accidents and Near Misses;
- Positive Interventions to improve safety performance;
- Customer Feedback - both praise and complaints;
- Staff Turnover;
- Utilisation of Staff;
- Gender Pay Gap;
- Cash at Bank; and
- Debtor and Creditor days.

The directors are pleased to report that performance of the company in respect of all KPIs monitored is satisfactory.

1st Inrail Limited

Strategic Report for the Period from 1 December 2022 to 31 March 2024

Corporate responsibility

RSK is a diverse group of environmental, engineering and technical services businesses, connected by a shared commitment to finding environmental and socially sustainable ways to fix challenging problems. In doing so, we have found commercial success while making a positive contribution to the world around us. BTS supports the wider group's ambitions through its service delivery to clients and corporate responsibility and sustainability activities.

Sustainability in all that we do

RSK has recognised and championed the importance of environmental and social impact since its inception over 30 years ago, with "promoting the concept of sustainability in all that we do" being one of the group's nine business principles.

As a fast-growing global business, RSK can play a part in tackling the environmental, economic, and social challenges faced around the world. Our work is aligned with the United Nations' 17 Sustainable Development Goals (SDGs), a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. It is not just about climate action, but it is also about providing affordable and clean energy, sustainable infrastructure, protecting life on land and below water, ending poverty and famine, and ensuring water supply and sanitation are available to all people.

Governments, businesses, organisations and individuals are embracing these goals, seeking the support from businesses, like those within RSK, to help them play their part. These fundamental drivers will have great impact on the RSK Group and BTS in the future, both on how we operate ourselves, but also how we support our clients.

Our holistic strategy

Our Sustainability Route Map integrates business and sustainability performance into a holistic strategy structured around five key pillars: safety, health and quality; our people and ethics; environment and communities; our clients and suppliers; financial and governance.

These five pillars provide the framework to align our business strategy to the SDGs and are key to our business's success. To measure our progress, the Route Map sets out clear milestones each year which keep us moving towards our overarching goals.

Employees

The directors recognise that our people are the key to our success as an organisation, and we strive to engage with all our employees, making sure everyone is involved in the development of our business and is proud to be part of it.

Equal opportunities

The Company is committed to equality, diversity and inclusion which is core to our company culture. This is integral to the success of our business and supports our corporate responsibility and sustainability efforts. To help the Company fully embrace equality, diversity and inclusion, The Company has pledged the following:

- Champion equality, diversity and inclusion from the top of the organisation.
- Acknowledge and tackle unconscious bias.
- Communicate and educate about the importance of equality, diversity and inclusion at all levels of our business, making this part of our everyday conversations.
- Empower our workforce through the introduction of employee networks.

1st Inrail Limited

Strategic Report for the Period from 1 December 2022 to 31 March 2024

We believe in equal opportunities for all employees and applicants and oppose all forms of unlawful or unfair discrimination in relation to a protected characteristic. All employees and applicants, whether part time, full time or temporary, will be treated fairly and with respect.

The Company is committed to ensuring that every employee has a working environment that promotes dignity and respect, and where individual differences and contributions of employees are recognised and valued.

As directors it is also important to us that we look after the wellbeing of our employees, so we subscribe to the group's wellbeing policy which is built on five interconnected wellbeing pillars: physical, mental, social, financial and environmental. This policy is delivered through a diverse calendar of activities aimed at engaging, educating and connecting employees.

Principal risks and uncertainties

The directors are required to identify risks that might adversely affect the Company's business in the medium and long-term. The directors have considered the risks to the business and means to manage those risks and have identified the following primary risks.

- Failure to maintain a sufficient employee resource at appropriate levels of seniority and experience. The directors recognise that having a sufficient resource to undertake projects is critical to the continued success of the company. To that end, we are committed to all the components of Investors In People and seek to be an employer of choice. We aim to hire the most talented of people; we communicate widely and openly to create a sense of community across the group; we provide learning and development opportunities; and we strive to empower every employee to meet their full potential. In this way we plan to look after our clients' needs in an exemplary fashion. The directors monitor people metrics, including retention statistics to identify any trends or issues.

- Termination of projects or failure to win work in our core markets. We strive to delight our clients and keep abreast of their requirements and expectations through regular communication, project reviews, client satisfaction surveys and wider market assessments. We want to work to the highest technical and health and safety standards and to these ends, we operate in accordance with ISO 9001, ISO 14001 and ISO 45001 and, where applicable, comply with the various specific industry codes of practice and standards.

- Financial risk management. The company's operations expose it to a variety of financial risks and these risks need to be considered throughout the lifetime of a project. The directors operate an internal review process so that tenders are reviewed before submission to a client. Risk of late payment by clients and bad debts could result in the company having insufficient cash to pay suppliers in a timely fashion. The directors have considered this and have adequate working capital facilities, allowing for late payments by clients and pressure from creditors for more prompt settlement of accounts. A primary strategy employed by the directors to minimise financial risk is one of diversity of operations as set out above with a mix of services, clients, projects and geographical spread of operations.

- Global economy. Rising inflation and the risk of recession present risk to all businesses. To mitigate this risk, we remain as diverse as possible, strengthening our offer in sectors which we consider most resilient. The Company is also very nimble, able to make decisions very quickly and pivot to different market sectors when required. We closely manage costs to remain competitive in the marketplace.

1st Inrail Limited

Strategic Report for the Period from 1 December 2022 to 31 March 2024

Section 172(1) statement

The directors of the company must act in accordance with a set of general duties as detailed in section 172 of the UK Companies Act 2006. A director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefits of its members, and in doing so have regard 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 RSK Group.

All directors are required to complete a directors' duty training module which provides them with an overview of the general duties and further support is provided by the RSK Group company secretary.

As a large organisation the directors fulfil their duties through a governance framework that delegates day to day responsibilities to its employees with appropriate review and assurance processes in place.

The directors have regard to the likely consequences of any decision in the long term in all aspects of the business. The "Principal Risks and Uncertainties" section of the company's Strategic Report sets out the company's approach to management of risks that might adversely affect the company's business in the medium and long term.

The company is committed to being a responsible employer, our directors recognising that our people are the key to success. We strive to engage with all our employees, making sure everyone is involved in the development of our business and feels pride in it. Please refer to the "Employees" section of the company's Strategic Report for more details.

The directors regularly review our business relationships, maintaining high levels of customer satisfaction and operating many long term partnership arrangements with key suppliers.

Our directors appreciate that the communities in which we operate are a key stakeholder and engagement with such communities is detailed in our Corporate Responsibility and Sustainability Route Map.

A reputation for high standards of business conduct is crucial to the business and its future success. This underpins everything we do and influences the decisions that the directors make.

Throughout the year, the directors have considered the impact of their decisions on all relevant stakeholders and have taken steps to ensure that these decisions are aligned with the long-term success of the company.

1st Inrail Limited

Strategic Report for the Period from 1 December 2022 to 31 March 2024

Key Events:

The railway industry, like many other sectors, currently faces a period of uncertainty driven by several key factors:

1. Network Rail's Expenditure Reduction: In early September 2023, Network Rail unexpectedly reduced its expenditure profile, a decision that was neither anticipated by the industry nor formally communicated at the time. This expenditure cut was a result of a funding shortfall at the end of their financial year and Control Period 6. It is unlikely that expenditure levels will return to pre-reduction figures until mid-to-late 2025 at best.

2. Increasing Borrowing Costs: Rising borrowing costs continue to impact business confidence and budgeting. This trend is expected to result in delayed or suspended investments by some of our non-Network Rail clients, further affecting the overall market.

3. Economic Climate and Investment Levels: The broader economy remains relatively static, with low business confidence. Consequently, the level of investment across sectors is down, as many clients adopt a "make-do and mend" approach to infrastructure rather than investing in new developments or expansions.

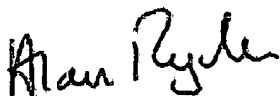
Key Decisions:

1. Sale of 1st Inrail Limited to RSK Group: It was determined that the acquisition of the business by RSK Group would provide 1st InRail Limited with enhanced financial strength, opening up new opportunities and further solidifying the Company's position in the marketplace. The sale of the Company necessitated a shift in focus for key personnel, who have been heavily involved in "onboarding" activities to align processes and reporting with RSK Group's requirements. While this has had an impact on the day-to-day operations of the business, the directors recognise the strategic importance of this process and are confident that it will benefit the Company in the long term. As part of the acquisition, a number of decisions were taken including the cancellation of 150,000 shares and the repayment of the bank loan. The Company also disposed of its property, Drake House, which was then leased back following acquisition.

2. Continuous Monitoring and Adjustments: The directors remain committed to closely monitoring the forward workload and adjusting overhead costs to ensure profitability. This proactive approach helps mitigate uncertainty and supports the long-term sustainability of the business.

The directors remain optimistic about the future and are well-positioned to capitalize on emerging opportunities as the market evolves.

Approved and authorised by the Board on 20 March 2025 and signed on its behalf by:



.....
A A Ryder
Director

1st Inrail Limited

Directors' Report for the Period from 1 December 2022 to 31 March 2024

The directors present their report and the financial statements for the period from 1 December 2022 to 31 March 2024.

Directors of the company

The directors who held office during the period were as follows:

C A Elms (appointed 24 May 2023)

A S Draper (appointed 24 May 2023)

J A Heeley

S D Jackson

A L G Maye

A A Ryder (appointed 24 May 2023)

R Stevenson

E Taylor (appointed 24 May 2023)

M Maye (resigned 24 May 2023)

B I Hargreaves (resigned 24 May 2023)

Dividends

Dividends of £750,000 were paid during the 16 month period (2022: £80,000 (12 month period)).

Streamlined energy and carbon reporting

The environmental performance information of RSK Group Limited, the ultimate parent company of 1st Inrail Limited is presented in accordance with the Streamlined Energy and Carbon Reporting ("SECR") Guidance (March 2019), as specified under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. Data is presented for a 16 month period, from 1st December 2022 through to 31st March 2024. The scope of the reporting by RSK Group Limited includes 1st Inrail Limited. As permitted by the regulations above, 1st Inrail Limited has chosen not to include its Streamlined Energy and Carbon Reporting in the Directors Report for 1st Inrail Limited.

1st Inrail Limited

Directors' Report for the Period from 1 December 2022 to 31 March 2024

Going concern

The Directors have acknowledged the latest guidance on going concern from the Financial Reporting Council and considered various relevant matters noted here. The company participates in RSK Group's (the Group) centralised treasury arrangements and so shares banking arrangements with its subsidiaries. As at 31 March 2024 the funds comprised £1bn committed acquisition facility and RSK Group has a £50m revolving credit facility with NatWest bank. These facilities were extended from 2028 to 2030 in September 2024. In September 2024 the Group received £520m preferred equity investment from a consortium of investors.

The facilities will finance growth, both organic and acquisitive and associated working capital requirements. The company is party to cross guarantee arrangements relating to a borrowing facility provided by Ares Management to RSK Group Limited. The amount borrowed under this agreement as at 31 March 2024 is £1,060,136,000 (2023 - £765,384,000). The directors have received a letter of support from its parent company that it will continue to receive support in respect of this.

After a thorough review, the Group's consolidated business plan, forecasts and projections show that it is expected to operate within its facilities.

The Group has established contracts and master service agreements with several customers across a wide range of sectors and markets and has a significant pipeline of committed work, tenders in progress and opportunities. The Directors believe that the Group will continue to manage its business risks successfully despite uncertain economic conditions in some business sectors and countries.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Accordingly, they have continued to adopt a going concern basis in the preparation of the annual report and financial statements.

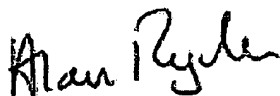
Disclosure of information to the auditors

Each director has taken 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Auditors

BDO LLP was appointed as auditor in the year, and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved and authorised by the Board on 20 March 2025 and signed on its behalf by:



.....
A A Ryder
Director

1st Inrail Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They 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.

1st Inrail Limited

Independent Auditor's Report to the Members of 1st Inrail Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 1stInRail Limited ("the Company") for the 16 month period ended 31 March 2024 which comprise Profit and Loss Account for the Period from 1 December 2022 to 31 March 2024, Balance Sheet as at 31 March 2024, Statement of Changes in Equity for the Period from 1 December 2022 to 31 March 2024 and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

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

1st Inrail Limited

Independent Auditor's Report to the Members of 1st Inrail Limited

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Other Companies Act 2006 reporting

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 financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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.

1st Inrail Limited

Independent Auditor's Report to the Members of 1st Inrail Limited

Auditor 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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on our understanding of the company and the industry in which it operates, discussions with management and those charged with governance and obtaining and understanding of the company's policies and procedures regarding compliance with laws and regulations, we considered the significant laws and regulations to be the UK Companies Act 2006, UK accounting standards and Tax legislation.

The company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount of disclosures in the financial statements, for example through the imposition of fines or litigation. We identified such laws and regulations to be tax legislation and employment law.

Our procedures in respect of the above included:

- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the company's policies and procedures relating to:
 - o Detecting and responding to the risks of fraud; and
 - o Internal controls established to mitigate risks related to fraud.
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

1st Inrail Limited

Independent Auditor's Report to the Members of 1st Inrail Limited

Based on our risk assessment, we considered the areas most susceptible to fraud to be the postings of inappropriate journals as well as incorrect revenue recognition at the year end.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.
- Testing a sample of credit notes raised in the year to ensure they are correctly treated; and
- Testing a sample of revenue recognised prior to the year end to ensure that this has been recognised in the correct accounting period.

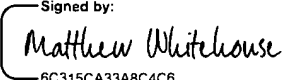
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:

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Matthew Whitehouse (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).
M3 5EN

20 March 2025

1st Inrail Limited

Profit and Loss Account for the Period from 1 December 2022 to 31 March 2024

	Note	2024 £	2022 £
Turnover	2	37,404,355	24,620,628
Cost of sales		<u>(29,212,006)</u>	<u>(19,973,039)</u>
Net fee income		8,192,349	4,647,589
Administrative expenses		(5,128,047)	(2,580,842)
Other operating income	3	<u>207,570</u>	<u>143,951</u>
Operating profit	4	<u>3,271,872</u>	<u>2,210,698</u>
Other interest receivable and similar income	5	4,564	2,848
Interest payable and similar expenses	6	<u>(52,396)</u>	<u>(31,254)</u>
		<u>(47,832)</u>	<u>(28,406)</u>
Profit before tax		3,224,040	2,182,292
Tax on profit	9	<u>(750,578)</u>	<u>(421,413)</u>
Profit for the financial period		<u>2,473,462</u>	<u>1,760,879</u>

The above results were derived from continuing operations.

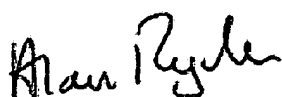
The company has no recognised gains or losses for the period other than the results above.

1st Inrail Limited

(Registration number: 06252002)
Balance Sheet as at 31 March 2024

	Note	2024 £	2022 £
Fixed assets			
Tangible assets	10	46,427	760,405
Current assets			
Stocks	11	340,711	439,398
Debtors	12	9,191,326	5,551,980
Cash at bank and in hand	13	<u>506,038</u>	<u>3,011,673</u>
		10,038,075	9,003,051
Creditors: Amounts falling due within one year	14	<u>(4,090,918)</u>	<u>(3,691,918)</u>
Net current assets		<u>5,947,157</u>	<u>5,311,133</u>
Total assets less current liabilities		5,993,584	6,071,538
Creditors: Amounts falling due after more than one year	14	-	(364,682)
Provisions for liabilities	16	<u>(3,232)</u>	<u>(134,670)</u>
Net assets		<u>5,990,352</u>	<u>5,572,186</u>
Capital and reserves			
Called up share capital	18	75	150,075
Capital redemption reserve		25	25
Retained earnings		<u>5,990,252</u>	<u>5,422,086</u>
Shareholders' funds		<u>5,990,352</u>	<u>5,572,186</u>

Approved and authorised by the Board on 20 March 2025 and signed on its behalf by:



.....
A A Ryder
Director

1st Inrail Limited

Statement of Changes in Equity for the Period from 1 December 2022 to 31 March 2024

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 December 2021	150,100	-	4,851,207	5,001,307
Profit for the period	-	-	1,760,879	1,760,879
Dividends paid	-	-	(80,000)	(80,000)
New share capital subscribed	(25)	-	-	(25)
Purchase of own share capital	-	-	(1,110,000)	(1,110,000)
Other capital redemption reserve movements	-	25	-	25
At 30 November 2022	<u>150,075</u>	<u>25</u>	<u>5,422,086</u>	<u>5,572,186</u>

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 December 2022	<u>150,075</u>	<u>25</u>	<u>5,422,086</u>	<u>5,572,186</u>
Profit for the period	-	-	2,473,462	2,473,462
Dividends paid	-	-	(750,000)	(750,000)
Cancellation of shares	(150,000)	-	-	(150,000)
Distribution in specie	-	-	(1,155,296)	(1,155,296)
At 31 March 2024	<u>75</u>	<u>25</u>	<u>5,990,252</u>	<u>5,990,352</u>

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

1 Accounting policies

1st Inrail Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. Details of the significant judgements and estimates are provided below.

Company disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.
- the requirements of Section 9 Consolidated and Separate Financial Statements paragraph 9.3(a).

Disclosure of long period

The company's reporting period end date has changed from 30 November 2023 to 31 March 2024 to align with fellow group companies. Therefore comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

Going concern

The Directors have acknowledged the latest guidance on going concern from the Financial Reporting Council and considered various relevant matters noted here.

The company participates in RSK Group's (the Group) centralised treasury arrangements and so shares banking arrangements with its subsidiaries. As at 31 March 2024 the funds comprised £1bn committed acquisition facility and the Group has a £50m revolving credit facility with NatWest bank. These facilities were extended from 2028 to 2030 in September 2024. In September 2024 RSK Group received £520m preferred equity investment from a consortium of investors.

The facilities will finance growth, both organic and acquisitive and associated working capital requirements.

After a thorough review, the Group's consolidated business plan, forecasts and projections show that it is expected to operate within its facilities.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

The Group has established contracts and master service agreements with several customers across a wide range of sectors and markets and has a significant pipeline of committed work, tenders in progress and opportunities. The Directors believe that the Group will continue to manage its business risks successfully despite uncertain economic conditions in some business sectors and countries.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. Accordingly, they have continued to adopt a going concern basis in the preparation of the annual report and financial statements.

Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have the greatest level of uncertainty are addressed below:

(i) Amounts recoverable on contracts

The company's revenue policies (set out in revenue recognition policy) are fundamental to how the Group values the work it has carried out in each reporting period. Contracts are assessed on a contract by contract basis, and estimations are made regarding amounts not invoiced based on the stage of completion of the service. Amounts are included within accrued income.

(ii) Impairment of trade debtors

Expected future cash flows are applied in measuring impairment of customer receivables.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

In respect of long-term contracts for on-going services, turnover represents the value of work done in the period, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Operating profit includes attributable profit on long-term completed contracts and amounts recoverable on uncompleted contracts, the latter being included within debtors due within one year.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generate income.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax balances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the difference between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets as follows:

Freehold Property	2% straight line
Improvements to property	straight line over period of lease
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Office equipment	33% straight line

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Fixed assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Short-term debtors are measured at transaction price, less any impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include all purchase, transport, and handling costs in bringing stocks to their present location and condition.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Interest expenses

Interest expenses are recognised on the basis of the effective interest method. They are charged to the profit and loss and included within interest payable and similar charges.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Dividends

Dividend distributions to the company's shareholders are recognised in the Statement of Changes in Equity in the reporting period in which the dividends are declared and approved.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss as an employee benefit expense in the year in which they become payable. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

Financial instruments

Financial assets and liabilities are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, including trade and other receivables, loans receivable from other Group companies and cash and cash equivalents, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any provision for impairment.

Impairment of financial assets

At each reporting date the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognises an impairment loss which is measured as the difference between the carrying amount and the present value of the future cashflows, discounted at the original effective interest rate. Impairment losses are recognised in profit or loss.

Impairment losses are reversed if the reversal can be objectively related to an event occurring after the impairment was recognised. The reversal of the impairment will be recognised in profit or loss.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, hire purchase contracts and loans payable to other Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at the market rate of interest.

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

Derecognition of financial instruments

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or the Company transfers the financial asset and substantially all the risks and rewards of ownership have been transferred.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

2 Turnover

The analysis of the company's turnover for the period (all UK based) from continuing operations is as follows:

	2024	2022
	£	£
Rendering of services	<u>37,404,355</u>	<u>24,620,628</u>

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

3 Other operating income

The analysis of the company's other operating income for the period is as follows:

	2024	2022
	£	£
Other income	207,570	77,262
Management and other income recharges to associated companies	-	66,689
	<u>207,570</u>	<u>143,951</u>

Other income includes income from activities not directly related to the company's core operations. This includes insurance refunds, rental income, expense recharges and umbrella rebates.

4 Operating profit

Arrived at after charging/(crediting)

	2024	2022
	£	£
Depreciation expense	14,502	21,030
Operating lease expense	494,192	318,130
(Profit)/loss on disposal of property, plant and equipment	(178,249)	1,866
Fees payable to the company's auditor and its associates for the audit or the company's annual accounts	55,000	17,000
	<u>55,000</u>	<u>17,000</u>

5 Other interest receivable and similar income

	2024	2022
	£	£
Interest income on bank deposits	<u>4,564</u>	<u>2,848</u>

6 Interest payable and similar expenses

	2024	2022
	£	£
Loan interest	39,602	31,254
Bank interest paid	12,794	-
	<u>52,396</u>	<u>31,254</u>

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024	2022
	£	£
Wages and salaries	4,788,359	1,759,558
Social security costs	532,571	196,941
Pension costs, defined contribution scheme	<u>328,043</u>	<u>256,806</u>
	<u><u>5,648,973</u></u>	<u><u>2,213,305</u></u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2024	2022
	No.	No.
Operations staff	46	36
Administrative staff	14	13
Directors	<u>4</u>	<u>4</u>
	<u><u>64</u></u>	<u><u>53</u></u>

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	2024	2022
	£	£
Remuneration	651,983	465,542
Pension contributions	<u>107,101</u>	<u>100,481</u>
	<u><u>759,084</u></u>	<u><u>566,023</u></u>

During the period the number of directors who were receiving benefits was as follows:

	2024	2022
	No.	No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2024	2022
	£	£
Remuneration	205,198	147,063
Company contributions to money purchase pension schemes	<u>1,761</u>	<u>1,692</u>

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

9 Taxation

Tax charged/(credited) in the profit and loss account

	2024 £	2022 £
Current taxation		
UK corporation tax	768,755	421,413
UK corporation tax adjustment to prior periods	<u>1,530</u>	<u>-</u>
	770,285	421,413
Deferred taxation		
Movements in timings differences	<u>(19,707)</u>	<u>-</u>
Tax expense in the income statement	<u><u>750,578</u></u>	<u><u>421,413</u></u>

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 25% (2022 - 19%).

The differences are reconciled below:

	2024 £	2022 £
Profit before tax	<u>3,224,040</u>	<u>2,182,292</u>
Corporation tax at standard rate	806,010	414,635
Increase in UK and foreign current tax from adjustment for prior periods	1,530	-
Tax decrease from effect of capital allowances and depreciation	-	(493)
Effect of expense not deductible in determining taxable profit (tax loss)	(56,962)	4,127
Increase from tax losses for which no deferred tax asset was recognised	<u>-</u>	<u>3,144</u>
Total tax charge	<u><u>750,578</u></u>	<u><u>421,413</u></u>

Factors that may affect future tax charges:

There are no factors which may affect the future tax charge.

The deferred tax asset/liability has been calculated on the rate of 25% substantively enacted at the reporting date.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

10 Tangible assets

	Freehold property £	Improvements to property £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 December 2022	770,868	109,172	3,315	129,555	46,487	8,850	1,068,247
Additions	-	-	-	6,942	333	-	7,275
Disposals	(770,868)	(109,172)	-	-	-	(4,500)	(884,540)
At 31 March 2024	-	-	3,315	136,497	46,820	4,350	190,982
Depreciation							
At 1 December 2022	60,193	109,172	3,315	101,457	24,855	8,850	307,842
Charge for the period	3,924	-	-	10,578	-	-	14,502
Eliminated on disposal	(64,117)	(109,172)	-	-	-	(4,500)	(177,789)
At 31 March 2024	-	-	3,315	112,035	24,855	4,350	144,555
Carrying amount							
At 31 March 2024	-	-	-	24,462	21,965	-	46,427
At 30 November 2022	710,675	-	-	28,098	21,632	-	760,405

Included within the net book value of land and buildings above is £Nil (2022 - £710,675) in respect of freehold land and buildings.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

11 Stocks

	2024	2022
	£	£
Raw materials and consumables	<u>340,711</u>	<u>439,398</u>

12 Debtors

	2024	2022
	£	£
Trade debtors	3,721,429	2,802,520
Amounts owed by group undertakings and undertakings in which the company has a participating interest	3,413,723	-
Other debtors	7,500	161,500
Prepayments	496,543	294,396
Accrued income	1,438,608	2,293,564
Corporation tax	<u>113,523</u>	<u>-</u>
	<u>9,191,326</u>	<u>5,551,980</u>

The amount owed by group undertakings is an intercompany loan balance of £3,413,723 due from RSK Environment Limited, which is repayable on demand. Interest is not charged on this loan.

13 Cash and cash equivalents

	2024	2022
	£	£
Cash at bank	<u>506,038</u>	<u>3,011,673</u>

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

14 Creditors

	Note	2024 £	2022 £
Due within one year			
Bank loans and overdrafts	15	-	100,183
Obligations under finance lease contracts	15	322,425	268,456
Trade creditors		1,373,469	1,753,103
Corporation tax		3,019	189,116
Amounts owed to group undertakings and undertakings in which the company has a participating interest		171,441	-
Social security and other taxes		835,487	753,124
Other payables		38,245	25,895
Accruals		947,558	602,041
Group relief		399,274	-
		<u>4,090,918</u>	<u>3,691,918</u>
Due after one year			
Bank loans	15	<u>-</u>	<u>364,682</u>

The amounts owed to group undertakings are trade creditor balances. Trade creditors are settled under standard payment terms of 30 days from the invoice date.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

15 Loans and borrowings

Amounts falling due within one year or on demand:

	2024	2022
	£	£
Bank borrowings	-	100,183
Obligations under finance lease contracts	<u>322,425</u>	<u>268,456</u>
	<u><u>322,425</u></u>	<u><u>368,639</u></u>

Amounts falling due within one year or on demand:

Bank loans 1-2 years		<u>100,784</u>
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Amounts falling due between two and five years:

Bank loans 2-5 years		<u>206,143</u>
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Amounts falling due in more than five years:

Bank loans more than 5 years by instalments		<u>57,755</u>
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16 Provisions for liabilities

	2024	2022
	£	£
Deferred tax	<u>3,232</u>	<u>22,938</u>
Other provisions		
Losses on onerous contracts	-	111,732
Aggregate amounts	<u>3,232</u>	<u>134,670</u>
	Deferred tax	Other provisions
Balance as at 1 December 2022	22,938	111,732
Additional provisions	(19,706)	-
Charged during the year		(111,732)
As at 31 March 2024	<u>3,232</u>	<u>-</u>

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

17 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £328,043 (2022 - £256,806).

18 Share capital

Authorised

	2024		2022	
	No.	£	No.	£
A Ordinary of £1 each	-	-	50	50
B Ordinary of £1 each	-	-	25	25
150,000 preference shares of £1 each	-	-	150,000	150,000
Ordinary of £1 each	75	75	-	-
	<u>75</u>	<u>75</u>	<u>150,075</u>	<u>150,075</u>

On 15 February 2023 there was a cancellation of 150,000 preference shares of £1.00 each.

On 9 August 2023 50 A ordinary shares of £1.00 were re-designated into 50 ordinary shares of £1.00 and 25 B ordinary shares of £1.00 were re-designated into 25 ordinary shares of £1.00. Each ordinary share ranks equally for voting purposes, any dividend declared and any distribution made on a winding up. The ordinary shares are not redeemable.

19 Commitments under operating leases

Operating leases

The total of future minimum lease payments is as follows:

	2024	2022
	£	£
Not later than one year	608,841	346,042
Later than one year and not later than five years	1,500,922	335,936
Later than five years	<u>277,890</u>	<u>-</u>
	<u>2,387,653</u>	<u>681,978</u>

The amount of operating lease payments recognised as an expense during the period was £494,192 (2022 - £318,130).

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

20 Dividends

	2024	2022
	£	£
Final dividend of £750,000 (2022- £80,000) per ordinary share	<u>750,000</u>	<u>80,000</u>

21 Related parties

Other related parties	2024	2022
	£	£
Sales	459,743	142,047
Purchases	51,094	1,027,596
Management charges payable	120,610	135,850
Amounts due from related parties	21,301	201,290
Amounts due to related parties	29,133	350,142
Recognised bad or doubtful debts due from related parties	<u>7,680</u>	<u>202,290</u>

The transactions with "Other related parties" noted above arise with entities in which the spouses of 1st InRail Limited shareholders hold shares, or with an entity on which the shareholders of 1st In Rail Limited collectively hold a substantial but not a controlling interest. All transactions were conducted on an arm's length basis, prior to acquisition by RSK Group.

The Company has availed of the exemption under FRS 102 in relation to the disclosure of transactions with wholly owned group undertakings.

The directors of the company are considered to be the key management personnel and as such their remuneration is disclosed in note 8 to the accounts.

On 5 May 2023 the company distributed assets of £1,155,296 to Cody Developments Limited, a company of which three of the directors at the time of the transaction have a controlling interest in shares.

22 Financial commitments, guarantees and contingencies

Contingent liabilities

The company is party to cross guarantee arrangements relating to a borrowing facility provided by Ares Management to RSK Group Limited. The amount borrowed under this agreement at 31 March 2024 is £1,060,136,000 (2023: £765,384,000).

The company is also a guarantor of any trading and other obligations of any RSK Group member that may be a Junior Creditor in the related Subordination Deed.

1st Inrail Limited

Notes to the Financial Statements for the Period from 1 December 2022 to 31 March 2024

23 Parent and ultimate parent undertaking

The company's immediate parent is RSK Environment Limited, incorporated in Scotland.

The ultimate parent is RSK Group Limited, incorporated in England and Wales.

These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ.

24 Post-Balance Sheet Events

There have been no significant events affecting the company since the financial period-end which require disclosure in the financial statements.