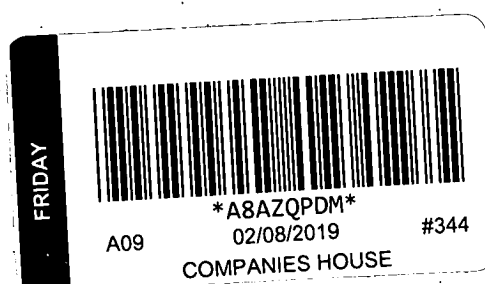


Registered number: 07846971

**TXM PLANT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 29 APRIL 2018**



# **TXM PLANT LIMITED**

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**TXM PLANT LIMITED**

**COMPANY INFORMATION**

**Directors**

G W Richardson  
R Killen  
B Reynolds

**Registered number**

07846971

**Registered office**

Park Lane Estates Park Lane Off Wigan Road  
Ashton In Makerfield  
Wigan  
United Kingdom  
WN4 0BZ

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Exchange House  
Central Business Exchange  
Midsummer Boulevard, Central Milton Keynes  
MK9 2DF

## **TXM PLANT LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 29 APRIL 2018**

The Directors present the Strategic Report and audited financial statements of TXM Plant Limited (the "Company") for the financial year ended 29 April 2018.

#### **Business review**

The financial statements show a turnover of £59,082,676 (18 month period ended 30 April 2017: £91,176,805) with an operating profit of £2,153,410 (18 month period ended 30 April 2017: £8,635,383) at 3.64% (18 month period ended 30 April: 9.47%) of turnover and EBITDA position of £7,518,517 (18 month period ended 30 April 2017: £13,869,133).

Turnover shows an annualised decrease of 1.90% driven by reduced Plant & POS business, a result of reduced CP5 final year volumes and the demise of Carillion.

Gross margin on plant hire revenue was constant, and this combined with the growth of PCL -TXM Rail with lower gross margins has had the effect of reducing the overall gross margin to 23.02% (2017: 26.91%).

The Company continues to focus on the following:

- i. Continued review and restructuring across all areas of the business;
- ii. Increasing commercial relationships with customers;
- iii. Health, Safety and Compliance
- iv. Strengthening of the management team for both existing and new positions; and
- v. Introducing new systems across the whole business.

There has been continued control of Administrative Expenses which remained at 17.32%, whilst strengthening the Management team and maintaining its fleet and national network.

Net Current Assets have remained similar to prior year at £11.6m vs £11.3m, though 19.64% of sales up from 18.70% due in part to the greatly increased activity in the TXM Rail Division.

#### **Principal risks and uncertainties**

The principal risks facing the Company can broadly be grouped as competitive and financial:

##### **Competitive**

The Company seeks to be competitive in all areas of the business. It continually invests in people, training and equipment as well as the service offering. In addition the directors focus on developing good relationships with new and existing key customers.

##### **Financial**

The Company's main financial instruments comprise of cash, loan notes, invoice discounting, plant borrowing facilities finance leasing and working capital. These instruments provide funding for the Company's operations. The directors agree policies for the management of these instruments which are considered sufficient to manage the element of risk. These policies are detailed as follows:

##### *a) Credit risk*

The Company seeks to minimise any credit risk by dealing only with established and financially sound businesses. The Company establishes clear contractual relationships and identifies any credit issues in a timely manner.

**TXM PLANT LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 29 APRIL 2018**

*b) Liquidity risk*

The Company seeks to manage and minimise financial risk by ensuring that sufficient liquidity is available at all times to meet foreseeable needs and by investing cash assets safely and profitably.


*c) Interest rate risk*

The Company has a revolving credit facility with fixed interest rates to finance capital expenditure. The Company also utilises an invoice discounting facility to manage fluctuations in working capital. Due to variations in available balances the use of fixed interest rates is not considered appropriate.

**Financial key performance indicators**

The directors consider EBITDA as the KPI used to measure the company's performance. EBITDA decreased from £13,869,133 in 18 month period ended 30 April 2017 to £7,518,517 in 2018.

This report was approved by the board and signed on its behalf by:



**B Reynolds**  
Director

Date: *1<sup>st</sup> August 2019.*

## **TXM PLANT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 29 APRIL 2018**

The directors present their annual report and the audited financial statements of TXM Plant Limited (the "Company" ) for the year ended 29 April 2018.

#### **Principal activities**

The Company hires plant, attachments, machine operators and engineers to customers maintaining the railway network. The Company also provides Plant Operation Scheme Services and undertakes rail project work.

#### **Results and dividends**

The Company achieved an EBITDA profit of £7,518,517 (2017: £13,869,133 for the 18 months to 30 April 2017).

The profit for the financial year amounted to £1,095,800 (2017: £5,981,585 for the 18 months to 30 April 2017).

A dividend of £Nil (18 month period ended 30 April 2017: £9,629,521) was paid in the year.

#### **Directors**

The directors who served during the year and up to the date of signing of financial statements, unless otherwise stated, were:

G W Richardson  
P A Matthews (resigned 20 June 2018)  
R Killen  
B Reynolds (appointed 20 June 2018)

#### **Future developments**

The directors aim to maintain the management policies which have resulted in the Company's growth in recent years. They consider that the next year will show further growth from continuing operations.

#### **Employee involvement**

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004.

Information on matters of concern to employees 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 Company's performance.

#### **Disabled employees**

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

## **TXM PLANT LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 29 APRIL 2018**

#### **Going concern**

The Company is funded through bank loans and an asset based facility which are repayable in 2021. Towards the end of 2018 and throughout 2019 there has been a reduction of the market volumes during the final year of CP5 (control period) and the transition into the CP6 which has reduced trading results and headroom in cash flow and covenant compliance forecasts.

This market impact was anticipated by the Directors and appropriate measures were taken early. Cost reduction and efficiency programs were rolled out across the organisation, whilst ensuring the fabric of the business was preserved. TXM has continued to upgrade equipment, invest in its fleet, maintain operator levels, and has developed its depot network with improved facilities under its 6S program (Safety, Sort, Set-in-order, Shine, Standardise, Sustain) to enhance its capacity and reliability.

Management have initiated steps to renegotiate its funding arrangements to ensure its banking facilities are aligned to the business strategy and support future growth. These negotiations have been conducted with the support of the Shareholders and Bank, are expected to conclude shortly.

The Directors have reviewed the cash flow and covenant compliance forecasts for the foreseeable future. These are based on remaining at current levels during the transition from CP5 to CP6, with volumes improving in 2020 when Control Period 6 work is expected to be awarded given the Company's strong customer relationships, its reliability and improved operational facilities.

These forecasts together with the expected financing facilities being negotiated should provide sufficient headroom in liquidity and covenant tests, and accordingly, the directors have prepared the financial statements on a going concern basis. However, if the increase of work volume occurs significantly later than expected, TXM are awarded volumes significantly lower than it has historically delivered or the renegotiated funding arrangements are not finalised in line with expectations, there may be material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on this basis. If required, such adjustments would change the Statement of Financial Position values of the assets to their recoverable amounts, increase liabilities by making provisions for any closure costs and reclassify fixed assets and long-term liabilities as current assets and current liabilities.

#### **Financial Instruments**

Details of financial instruments are provided in the strategic report on pages 2 and 3.

## TXM PLANT LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 29 APRIL 2018

#### Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 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.

#### Disclosure of information to auditors

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

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



**B Reynolds**  
Director

Date: 1<sup>st</sup> August 2018

## TXM PLANT LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TXM PLANT LIMITED

## Report on the audit of the financial statements

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### Opinion

In our opinion, TXM Plant Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 29 April 2018; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### 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.

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### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the Company's ability to continue as a going concern. Management have initiated steps to renegotiate the funding arrangements to ensure its banking facilities are aligned to the business strategy and support future growth. The directors have reviewed the cash flow and covenant compliance forecasts for the foreseeable future. These forecasts are based on the Company remaining at the current operation levels during the transition from Control Period 5 (CP5) to Control Period 6 (CP6) with volumes improving in 2020 when the CP6 work is expected to be awarded. Consequently, if the increase of work volume occurs significantly later than expected, TXM are awarded volumes significantly lower than it has historically delivered or the renegotiated funding arrangements are not finalised in line with expectations, this may significantly limit the entity's operations. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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### 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.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## TXM PLANT LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TXM PLANT LIMITED (CONTINUED)

#### *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 29 April 2018 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 Directors' Responsibilities Statement set out on page 6, 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.

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.

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## **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 received 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.

*Matt Palmer*

Matt Palmer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Milton Keynes

Date:

*1 August 2019*

**TXM PLANT LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 29 APRIL 2018**

		<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
	<b>Note</b>		
Turnover	4	<b>59,082,676</b>	91,176,805
Cost of sales		<b>(45,480,769)</b>	(66,643,491)
<b>Gross profit</b>		<b>13,601,907</b>	24,533,314
Administrative expenses		<b>(10,233,386)</b>	(15,897,931)
Exceptional administrative expenses	5	<b>(1,215,111)</b>	-
<b>Operating profit</b>	6	<b>2,153,410</b>	8,635,383
Income from disposal of fixed assets		<b>73,270</b>	77,557
Interest receivable and similar income	10	<b>84</b>	7,575
Interest payable and similar expenses	11	<b>(1,264,602)</b>	(2,123,556)
<b>Profit before taxation</b>		<b>962,162</b>	6,596,959
Tax on profit	12	<b>133,638</b>	(615,374)
<b>Profit for the financial year/period</b>		<b>1,095,800</b>	5,981,585

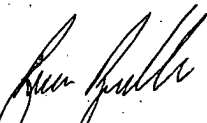
The notes on pages 12 to 31 form part of these financial statements.

**TXM PLANT LIMITED**  
**REGISTERED NUMBER: 07846971**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 29 APRIL 2018**

	Note	29 April 2018 £	30 April 2017 £
<b>Fixed assets</b>			
Intangible assets	14	277,591	386,188
Tangible assets	15	23,023,468	24,703,363
		<u>23,301,059</u>	<u>25,089,551</u>
<b>Current assets</b>			
Stocks	16	871,904	394,193
Debtors	17	17,109,573	20,282,608
Cash at bank and in hand	18	2,208,975	1,777,762
		<u>20,190,452</u>	<u>22,454,563</u>
Creditors: amounts falling due within one year	19	(8,587,980)	(11,166,699)
<b>Net current assets</b>		<u>11,602,472</u>	<u>11,287,864</u>
<b>Total assets less current liabilities</b>		<u>34,903,531</u>	<u>36,377,415</u>
Creditors: amounts falling due after more than one year	20	(20,942,123)	(23,457,351)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(893,872)	(948,328)
<b>Net assets</b>		<u>13,067,536</u>	<u>11,971,736</u>
<b>Capital and reserves</b>			
Called up share capital	22	5,000,001	5,000,001
Profit and loss account	23	8,067,535	6,971,735
<b>Total shareholders' funds</b>		<u>13,067,536</u>	<u>11,971,736</u>

The financial statements on pages 9 to 31 were approved and authorised for issue by the board and were signed on its behalf by:

  
**B Reynolds**  
 Director

Date: 1<sup>st</sup> August 2019.

The notes on pages 12 to 31 form part of these financial statements.

**TXM PLANT LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 29 APRIL 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 November 2015</b>	<b>10,000,001</b>	<b>5,619,671</b>	<b>15,619,672</b>
<b>Comprehensive income for the financial period</b>			
Profit for the financial period	-	<b>5,981,585</b>	<b>5,981,585</b>
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>5,981,585</b>	<b>5,981,585</b>
<b>Contributions by and distributions to owners</b>			
Dividends	-	<b>(9,629,521)</b>	<b>(9,629,521)</b>
Share capital reduction	<b>(5,000,000)</b>	<b>5,000,000</b>	-
<b>Total transactions with owners</b>	<b>(5,000,000)</b>	<b>(4,629,521)</b>	<b>(9,629,521)</b>
<b>At 30 April 2017 and 1 May 2017</b>	<b>5,000,001</b>	<b>6,971,735</b>	<b>11,971,736</b>
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	<b>1,095,800</b>	<b>1,095,800</b>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>1,095,800</b>	<b>1,095,800</b>
<b>At 29 April 2018</b>	<b>5,000,001</b>	<b>8,067,535</b>	<b>13,067,536</b>

The notes on pages 12 to 31 form part of these financial statements.

## **TXM PLANT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018**

#### **1. General information**

TXM Plant Limited (the "Company") hires plant, attachments, machine operators and engineers to customers maintaining the railway network. The Company also provides Plant Operation Scheme Services and undertakes rail project work.

The Company is a private limited company limited by shares and is incorporated in the United Kingdom and domiciled in England. The address of its registered office is Park Lane Estates Park Lane Off Wigan Road, Ashton In Makerfield, Wigan, United Kingdom, WN4 0BZ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

##### **2.2 Financial reporting standard 102 - reduced 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 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.

This information is included in the consolidated financial statements of Bacchus Newco Ltd as at 29 April 2018 and these financial statements may be obtained from Park Lane Estates Park Lane Off Wigan Road, Ashton In Makerfield, Wigan, United Kingdom, WN4 0BZ.

## **TXM PLANT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018**

#### **2. Accounting policies (continued)**

##### **2.3 Going concern**

The Company is funded through bank loans and an asset based facility which are repayable in 2021. Towards the end of 2018 and throughout 2019 there has been a reduction of the market volumes during the final year of CP5 (control period) and the transition into the CP6 which has reduced trading results and headroom in cash flow and covenant compliance forecasts.

This market impact was anticipated by the Directors and appropriate measures were taken early. Cost reduction and efficiency programs were rolled out across the organisation, whilst ensuring the fabric of the business was preserved. TXM has continued to upgrade equipment, invest in its fleet, maintain operator levels, and has developed its depot network with improved facilities under its 6S program (Safety, Sort, Set-in-order, Shine, Standardise, Sustain) to enhance its capacity and reliability.

Management have initiated steps to renegotiate its funding arrangements to ensure its banking facilities are aligned to the business strategy and support future growth. These negotiations have been conducted with the support of the Shareholders and Bank, are expected to conclude shortly.

The Directors have reviewed the cash flow and covenant compliance forecasts for the foreseeable future. These are based on remaining at current levels during the transition from CP5 to CP6, with volumes improving in 2020 when Control Period 6 work is expected to be awarded given the Company's strong customer relationships, its reliability and improved operational facilities.

These forecasts together with the expected financing facilities being negotiated should provide sufficient headroom in liquidity and covenant tests, and accordingly, the directors have prepared the financial statements on a going concern basis. However, if the increase of work volume occurs significantly later than expected, TXM are awarded volumes significantly lower than it has historically delivered or the renegotiated funding arrangements are not finalised in line with expectations, there may be material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not contain any adjustment that would arise if the financial statements were not drawn up on this basis. If required, such adjustments would change the Statement of Financial Position values of the assets to their recoverable amounts, increase liabilities by making provisions for any closure costs and reclassify fixed assets and long-term liabilities as current assets and current liabilities.

## TXM PLANT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018

#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer (b) the amount of revenue can be measured reliably and (c) when the specific criteria relating to each of the Company's sales channels have been met, as described below:

*(i) Sales of services; Plant, attachment and operator hire, POS services*

Revenue is recognised in the accounting period in which services are rendered, revenue is calculated on a weekly basis.

*(ii) Project Services*

The Company uses the percentage of completion method based on the actual service performed as a percentage of the total services to be provided. The Company operates a staged margin release policy for project work.

*(iii) Rental Income*

Rental income is recognised when received.

##### 2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software is amortised over its estimated useful life of three years on a straight line basis. Where factors, such as technological advancement or changes in market price, indicate that the useful life or residual value have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

##### 2.6 Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

*(i) Land & buildings - Leasehold improvements*

Land and buildings include improvements to leasehold premises (depots and offices) and are stated at cost less accumulated depreciation.

*(ii) Plant and machinery and fixtures, fittings, tools and equipment*

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

## TXM PLANT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018

#### 2. Accounting policies (continued)

##### 2.6 Tangible assets (continued)

###### *(iii) Depreciation and residual values*

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	10	years
Machines	-	10	years
Machine upgrades	-	7	years
Attachments	-	5	- 8 years
Vehicles and racking	-	3	years
Fixtures and fittings	-	9	years
Computer Hardware	-	3	years

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

###### *(iv) Subsequent additions and major components*

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs, maintenance and inspection costs are expenses as occurred.

###### *(v) Derecognition*

Tangible Assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in "Profit/(Loss) on disposal of Fixed Assets".

#### 2.7 Stocks

Inventories of parts held for internal use are stated at purchase price. At the end of each reporting period inventories are assessed for impairment. If an item of inventory is deemed to be unusable the value will be reduced to zero.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and invoice discounting facilities. Invoice discounting facilities are shown within borrowings in current liabilities.

## TXM PLANT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018

#### 2. Accounting policies (continued)

##### 2.10 Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### *(i) Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price. Financial assets are derecognised, when:

- (a) the contractual rights to the cash flows from the asset expire or are settled, or
- (b) substantially all the risks and rewards of the asset are transferred to another party, or
- (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### *(ii) Financial Liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised at transaction price. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### *(iii) Offsetting*

Financial liabilities and assets are offset and 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.

##### 2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.12 Foreign currency translation

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

##### 2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest 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.

## **TXM PLANT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018**

#### **2. Accounting policies (continued)**

##### **2.14 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### **2.15 Leased assets**

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

###### **(i) Finance leased assets**

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset. Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

###### **(ii) Operating leased assets**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### **2.16 Employee benefits**

The Company provides paid holiday arrangements and defined contribution pension plans to employees.

###### ***Short term benefits***

Short term benefits including holiday pay and other non-monetary benefits are recognised as an expense in the period in which the service is received.

##### **2.17 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## TXM PLANT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018

#### 2. Accounting policies (continued)

##### 2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

##### 2.19 Borrowing costs

Ongoing borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### 2.20 Provisions for liabilities

###### *(i) Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow in respect to any one item included in the same class of obligations may be small.

Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

###### *(ii) Contingencies*

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date, or

(ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

## **TXM PLANT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018**

#### **2. Accounting policies (continued)**

##### **2.21 Current and deferred taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

###### **(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

###### **(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

##### **2.22 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **2.23 Distributions to equity holders**

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

##### **2.24 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

##### **2.25 Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

## TXM PLANT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Critical accounting estimates and judgements

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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property plant and equipment, and note 2.6 for the useful economic lives for each class of assets.

##### (ii) Inventory provisioning

The Company holds a stock of spares which are utilised when a machine or attachment requires repair, and then replaced or for use in rail project network. When calculating the inventory provision, management considers the nature and condition of the inventory. See Note 16 for the net carrying amount of the inventory and associated provision.

##### (iii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors and associated impairment provision.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	Year ended 29 April 2018 £	18 months ended 30 April 2017 £
Hire Revenue	27,460,759	51,098,449
Delivery/Collection	7,446,951	12,020,540
Contract Revenue	19,698,495	24,347,439
Other Revenue	4,476,471	3,710,377
	<b>59,082,676</b>	<b>91,176,805</b>

All turnover arose within the United Kingdom.

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**5. Exceptional administrative expenses**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Exceptional items	<b>1,215,111</b>	-

Exceptional costs relate to the Company restructuring costs and the Carillion debt write off during the year.

**6. Operating profit**

The operating profit is stated after charging:

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Depreciation of tangible assets	<b>4,003,574</b>	5,079,675
Amortisation of intangible assets	<b>146,422</b>	154,075
Operating lease charges	<b>262,444</b>	410,308
Impairment of trade receivables	<b>388,904</b>	45,108
Inventory recognised as expense	<b>755,413</b>	1,221,876

**7. Auditors' remuneration**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<b>45,000</b>	72,800
<b>Fees payable to the Company's auditors in respect of:</b>		
Other services relating to taxation	<b>20,000</b>	25,500
All other services	<b>6,000</b>	-
	<b>26,000</b>	25,500

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Wages and salaries	14,882,377	22,895,475
Social security costs	1,627,341	2,470,039
Other pension costs	222,863	194,156
	<b>16,732,581</b>	<b>25,559,670</b>

The average monthly number of employees, including the directors, during the year/period was as follows:

	<b>Year ended 29 April 2018 Number</b>	<b>18 months ended 30 April 2017 Number</b>
Operations	201	210
Selling, distribution and administration	107	100
	<b>308</b>	<b>310</b>

**9. Directors' remuneration**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Aggregate directors' remuneration	516,612	1,145,680
Amounts paid to third parties in respect of directors' services	-	489,581
	<b>516,612</b>	<b>1,635,261</b>

The highest paid director received remuneration of £195,133 (2017: £589,075).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,351 (18 month period ended 30 April 2017: £9,351).

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**10. Interest receivable and similar income**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Rental income receivable	-	5,148
Bank interest receivable	<b>84</b>	2,427
	<b>84</b>	<b>7,575</b>

**11. Interest payable and similar expenses**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Interest payable on overdrafts and bank loans	<b>1,264,602</b>	1,380,567
Finance lease interest	-	742,989
	<b>1,264,602</b>	<b>2,123,556</b>

**12. Tax on profit**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year/period	<b>64,940</b>	239,731
Adjustments in respect of prior years	<b>(144,122)</b>	3,684
Adjustment in respect of R & D tax claim	-	(5,429)
<b>Total current tax</b>	<b>(79,182)</b>	<b>237,986</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(10,047)</b>	210,089
Changes to tax rates	<b>1,058</b>	(49,335)
Adjustment in respect of prior years	<b>(45,467)</b>	216,634
<b>Total deferred tax</b>	<b>(54,456)</b>	<b>377,388</b>
<b>Tax on profit</b>	<b>(133,638)</b>	<b>615,374</b>

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**12. Tax on profit (continued)**

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.95%). The differences are explained below:

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Profit before taxation	<b>962,162</b>	6,596,959
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.95%)	<b>182,811</b>	1,315,774
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>11,750</b>	8,389
Adjustments to tax charge in respect of prior years	<b>(189,589)</b>	220,318
Research & development tax claim	-	(5,429)
Group relief	<b>(139,668)</b>	(303,562)
Changes in UK tax rate	<b>1,058</b>	(49,335)
Share options deduction	-	(570,781)
<b>Total tax charge for the financial year/period</b>	<b>(133,638)</b>	615,374

**Factors that may affect future tax charges**

The tax rate for the current year is lower than the prior year, due to changes in the UK Corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Statement of Financial Position date have been measured using these enacted tax rates and reflected in these financial statements.

**13. Dividends**

	<b>Year ended 29 April 2018 £</b>	<b>18 months ended 30 April 2017 £</b>
Final dividend of £nil per share (2017: £1.926 per share)	-	9,629,521

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**14. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 May 2017	<b>615,668</b>
Additions	<b>37,825</b>
At 29 April 2018	<b>653,493</b>
<b>Accumulated amortisation</b>	
At 1 May 2017	<b>229,480</b>
Charge for the year	<b>146,422</b>
At 29 April 2018	<b>375,902</b>
<b>Net book value</b>	
At 29 April 2018	<b>277,591</b>
At 30 April 2017	<b>386,188</b>

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**15. Tangible assets**

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer hardware £	Total £
<b>Cost</b>						
At 1 May 2017	1,709,629	35,219,358	154,057	212,178	240,299	37,535,521
Additions	148,990	2,691,355	-	1,813	59,384	2,901,542
Disposals	-	(702,877)	-	-	-	(702,877)
At 29 April 2018	<u>1,858,619</u>	<u>37,207,836</u>	<u>154,057</u>	<u>213,991</u>	<u>299,683</u>	<u>39,734,186</u>
<b>Accumulated depreciation</b>						
At 1 May 2017	414,117	12,115,284	68,694	100,698	133,365	12,832,158
Charge for the year	198,415	3,679,776	38,920	27,324	59,139	4,003,574
Disposals	-	(125,014)	-	-	-	(125,014)
At 29 April 2018	<u>612,532</u>	<u>15,670,046</u>	<u>107,614</u>	<u>128,022</u>	<u>192,504</u>	<u>16,710,718</u>
<b>Net book value</b>						
At 29 April 2018	<u>1,246,087</u>	<u>21,537,790</u>	<u>46,443</u>	<u>85,969</u>	<u>107,179</u>	<u>23,023,468</u>
At 30 April 2017	<u>1,295,512</u>	<u>23,104,074</u>	<u>85,363</u>	<u>111,480</u>	<u>106,934</u>	<u>24,703,363</u>

**16. Stocks**

	29 April 2018 £	30 April 2017 £
Stock of parts	<u>871,904</u>	<u>394,193</u>

There is no significant difference between the replacement cost of parts and their carrying amounts. No provision for impairment has been made (2017: None).

There are no stock provisions in 2018 (2017: Nil).

**TXM PLANT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018****17. Debtors**

	29 April 2018 £	30 April 2017 £
Trade debtors	6,431,992	8,834,035
Amounts owed by group undertakings	6,010,653	5,211,193
Tax recoverable	76,751	-
Prepayments and accrued income	4,590,177	6,237,380
	<u>17,109,573</u>	<u>20,282,608</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £136,599 (2017: £99,797).

**18. Cash at bank and in hand**

	29 April 2018 £	30 April 2017 £
Cash at bank and in hand	<u>2,208,975</u>	<u>1,777,762</u>

**19. Creditors: amounts falling due within one year**

	29 April 2018 £	30 April 2017 £
Bank loans	1,089,600	-
Trade creditors	3,613,336	4,569,905
Invoice discounting	-	1,794,385
Corporation tax	-	2,431
Other taxation and social security	967,255	1,244,009
Finance leases	-	3,438
Other creditors	982,300	177,250
Accruals and deferred income	1,935,489	3,375,281
	<u>8,587,980</u>	<u>11,166,699</u>

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**20. Creditors: amounts falling due after more than one year**

	29 April 2018 £	30 April 2017 £
Bank loans and overdrafts	<u>20,942,123</u>	<u>23,457,351</u>

The Bank loans comprise a Plant and Machinery facility of £17m and a term loan of £5m.

The Plant and Machinery facility is revolving with no fixed repayments and a term of 60 months from 11th May 2016.

The term loan has regular monthly payments of £90,800 over 5 years together with an annual cash sweep with a final bullet repayment in May 2021 of £1,998,600.

Fees directly attributable to bank loans of £873,447 were capitalised against them. At 30th April 2018 £550,959 remain unamortised.

**21. Deferred taxation**

	2018 £
At beginning of year/period	(948,328)
Charged to profit or loss	54,456
<b>At end of year/period</b>	<u><u>(893,872)</u></u>

The provision for deferred taxation is made up as follows:

	29 April 2018 £	30 April 2017 £
Fixed asset timing differences	(931,759)	(952,931)
Short term timing differences - trading	37,887	4,603
	<u>(893,872)</u>	<u>(948,328)</u>
<b>Comprising:</b>		
Liability	<u>(893,872)</u>	<u>(948,328)</u>
	<u><u>(893,872)</u></u>	<u><u>(948,328)</u></u>

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**22. Called up share capital**

	<b>29 April 2018 £</b>	<b>30 April 2017 £</b>
<b>Allotted, called up and fully paid</b>		
5,000,001 (2017: 5,000,001) Ordinary shares of £1 (2017: £1) each	<b>5,000,001</b>	<b>5,000,001</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

**23. Reserves**

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

**24. Capital commitments**

At 29 April the Company had capital commitments as follows:

	<b>29 April 2018 £</b>	<b>30 April 2017 £</b>
Contracts for future capital expenditure not provided in the financial statements	<b>24,533</b>	<b>2,636,682</b>

**25. Pension commitments**

The company operates two defined contribution schemes for its employees, both with Friends Life. There is an old pension scheme available to some previous employees of Hydrex Equipment (UK) Ltd and other companies acquired by this company. There is also an Auto-enrolment scheme.

The amount recognised as an expense for the defined contribution scheme during the year was £222,864 (18 month period ended 30 April 2017: £194,156).

The contributions held at 29 April 2018 were £42,112 due payable to Friends Life on 19th May 2018.

**TXM PLANT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 APRIL 2018**

**26. Commitments under operating leases**

At 29 April the Company had future minimum lease payments under non-cancellable operating leases as follows:

	29 April 2018 £	30 April 2017 £
Not later than 1 year	341,824	251,611
Later than 1 year and not later than 5 years	1,380,737	1,928,410
Later than 5 years	330,000	481,000
	<u>2,052,561</u>	<u>2,661,021</u>

The Company had no other off Statement of Financial Position arrangements

**27. Related party transactions**

	29 April Purchases 29 April 2018 £	Purchases 30 April 2017 £	Sales 29 April 2018 £	Sales 30 April 2017 £
O/S	-	-	1	-
TXM Recruit Ltd	123,793	287,693	-	8,487
TXM Infrastructure Ltd	9,461	769,291	-	26,535
TXM Management Ltd	-	489,355	-	-
TXM Projects Ltd	-	-	-	3,425
TXM Training Academy Ltd	-	268,291	-	45,856
Raildoor Solutions Ltd	-	1,768	-	6,849
PM Interim Solutions Ltd	-	78,498	-	-
Ex Test Ltd	-	282,530	-	-
London Transport Museum	9,594	-	-	-
	<u>9,594</u>	<u>-</u>	<u>-</u>	<u>-</u>

## TXM PLANT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 APRIL 2018

#### 27. Related party transactions (continued)

	Debtor 29 April 2018 £	Debtor 30 April 2017 £	Creditor 29 April 2018 £	Creditor 30 April 2017 £
TXM Recruit Ltd	-	-	15,396	4,141
TXM Infrastructure Ltd	-	-	-	-
TXM Management Ltd	-	-	-	-
TXM Projects Ltd	-	-	-	-
TXM Training Academy Ltd	-	9,600	-	-
Raildoor Solutions Ltd	-	-	-	-
PM Interim Solutions Ltd	-	-	-	-
Ex Test Ltd	-	-	-	-
	<u>-</u>	<u>9,600</u>	<u>15,396</u>	<u>4,141</u>

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

During the period Mr Garth Richardson (son of Managing Director Gareth Richardson) was employed by the Company as an engineer, Miss Samantha Harvey (daughter of Operations Director Richard Harvey) was employed by the Company as an Administrator and Rail Assistant Manager, and Mr Iain Thompson (son of HR Director Patricia Thompson) was employed by the Company as SHEQ and Compliance Facilitator. Their remuneration was in line with their roles and market levels for salaries.

#### 28. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Equipment and Track Solutions Ltd (formerly TXM Plant Holdings Ltd).

The ultimate parent undertaking and the smallest and largest group to consolidate is Bacchus Newco Ltd.

The directors consider that TXM Plant Limited has no single ultimate controlling party by virtue of its shareholding.