

Company Registration No. 02766990 (England and Wales)

TAZIKER INDUSTRIAL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023



TAZIKER INDUSTRIAL LIMITED

COMPANY INFORMATION

Directors	N C Harrison J P Worrall T Taziker G P B Moor N T Taziker
Company number	02766990
Registered office	Levens House Ackhurst Business Park Foxhole Road Chorley PR7 1NY
Auditor	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE

TAZIKER INDUSTRIAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Principal activities

The Company provides specialist services for the replacement and refurbishment of structural steelwork across the UK Infrastructure with a focus on protective coatings, fabrication, repair and strengthening. It also carries out the term maintenance and outage support within the Energy & Industrial sectors. The business has a specialist fabrication facility to undertake the detailing and build of new structural steel bridges and other structural infrastructure. In March 2023 we launched our new FRP (Fibre Reinforced Polymer) Legacy Footbridge to market with a view to providing an alternative to steel products for the provision of footbridges, walkways and access-ways across multiple industries.

From the head office in Chorley, Lancashire and a strategically sited network of regional centres, we provide nationwide services to various sectors of UK infrastructure including UK Railways, Highways, local and regional transport authorities, utility services and mainstream construction, engineering and industrial services.

Review of the business

The business has reported another significant increase in turnover of £87,051,000 (2022: £73,484,000), an increase of 18.5% in continued operations. The business has achieved this by leveraging its skills and capabilities into new markets building on the diversification in recent years both in extended scope of works within Network Rail and building on our multi-disciplinary engineering capability including UK Highways and Heritage works.

Gross profit was significantly reduced year on year to £9,866,000 (2022: £14,147,000). This was due to several factors including inflationary cost pressures in labour and materials, disruption to supply chain and curtailment of projects caused by the conflict in Ukraine, industrial action in the UK railways and further cuts caused by loss of revenue during the COVID-19 pandemic. Further to these pressures, the diversification into new markets and focus on revenue growth, has had a negative impact on the businesses margin percentage due to a number of loss-making contracts. This is something the board has addressed within FY24 to re-focus the business to its core work and drive margin improvement to the levels seen in previous years.

Administrative expenses increased to £12,981,000 (2022: £10,369,000) reflecting the growth within the business. EBITDA for the year was a loss of £1,975,000 (2022: profit £4,626,000) and there was a loss before tax of £1,255,000 (2022: profit £5,139,000) both predominantly driven by the negative impact on gross profit in the year.

During the year a £1.373m investment was made into a new facility to support growth in our new structure's fabrication capability in our Structural Solutions business and the production facility for our new FRP offering. The investment incurred costs to establish, as well as disruption to income whilst the facilities transitioned.

The balance sheet reflects an improved cash position to £5,906,000 with trade creditors remaining at a similar level. Tangible assets reflects the investment of £2,541,000 (including the investment in the new production facility). Tax liabilities includes an increased VAT liability in respect of the final quarter of the financial year.

In October 2023, a group restructure has been undertaken and resulted in the sale of an intermediate holding company within the group, Forth Bidco Limited to Taziker Midco Limited and a new group corporate structure is now in place. The restructure has significantly de-leveraged the group with the Unitranch facility (£42.8m) and the Revolving credit facility (£6.0m), which the company is a guarantor, being released. Further debts held within the Group consisting of a Freshstream loan of £3.6m and Vendor Loan notes of £16.2m have also been released. In addition to these debt releases, there has also been a working capital cash injection of £3.0m (net) into the new group. In addition, the removal of this debt will significantly reduce the wider Group's interest burden in future periods.

The Directors are satisfied with the financial strength and reserves of the Company and consider these to be sufficient for the Company's needs into the forthcoming year.

Strategy

As our results demonstrate over the past few years the strategy has been around growth by leveraging our skills and activities into new geographies and new markets. However, this growth strategy away from the Group's core activities along with external factors within the economy such as high inflation has led to a decrease in the reported margin. Following the restructure, there is now a new board composition, and a strategic review of the business has been conducted which has resulted in a cost savings plan and a refocus on the Group's core activities. The board foresee the full benefits from this strategic review to flow into the FY25.

TAZIKER INDUSTRIAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

The business continues to invest in people and process, strengthening senior and project management capability, ensuring capacity for future growth with our existing clients, along with the potential to enter into new sectors. The Directors expect these investments to deliver both turnover and operating profit growth in future periods.

Safety is at the forefront of all operations, having delivered another year of significant revenue growth with 18.5% year on year growth in continuing operations, we are proud to have completed this achievement without incident and have now completed more than two full years (27 months) with a zero AFR (Accident Frequency Rate), evidencing that safety is a tangible differentiator in our activities with a commitment to safe working practice evident in all operations. Our 0.00 AFR rating compares favourably against the engineering and construction industry average of 1.27.

Our commitment to best practice underpins the placing of our customers at the heart of what we do, resulting in a further year of repeat business with existing clients. This important relationship with our key clients has been borne out of a culture of excellence and collaboration with a passion for innovation and delivery, which helps our business to build strong and trusted relationships through our people with an emphasis on establishing the trust of our clients in our commitment to quality and value for money.

As well as being responsible for overseeing the interests of its stakeholders, the Directors are conscious of the role of the business in the community and on society. The business is socially active and encourages its people to promote the ideas of social engagement and the value of its people in ensuring the success of the Company. To emphasise this further we made a new appointment in the period as a Head of Sustainability & Community Relations and increased the value and scope of reporting on ESG matters to the Board.

Our Values

Our business undertakes its activities in active alignment to its core values. These are Excellence, in all we do; People, who are at the heart of our operations; Innovative, with an approach to strive to find a better way and Collaboration, in the way that we engage with our people, our clients and our supply chain. These values are summarised in the acronym EPIC, which is used to emphasise what we stand for and how we want to be seen. EPIC values are predominant in our approach to several aspects of this report and our employees are recognised with EPIC rewards throughout the year.

Proactive engagement remains a commitment of the Board, which ensures the Directors have regard to the matters set out in S.172(1) (a) to (f) of the Companies Act.

Acting fairly between our stakeholders

The Directors continually strive to act in good faith to promote the success of the Company for the benefit of its shareholders in the long term and to act fairly between all the Company's stakeholders. In addition to this, the Directors also consider the impact of the business' activities on the communities and environment within which it operates and the business' reputation.

Employee Engagement

The Board recognises that its people are its most important asset, with People being the P in our EPIC values. Accordingly, a strong employee engagement is a key focus for the Board where a progressive performance in our employee engagement score forms one of the annual Strategic Imperatives and is subject to regular board review. The board is also committed to improving the knowledge and performance of its people to ensure it operates at the highest standards. This is emphasised by a commitment to a target of 1 day's training for every 40 days worked for all employees across the business.

In addition, to further promote a proactive approach to training, the board has recently reviewed and revised the opportunities available to its employees to extend both their skills and vocational wants for their personal development. All employees are also encouraged to actively support community projects through the allocation of three days paid leave to undertake community support activities.

To encourage positive engagement, the Company ensures its employees are appraised of the company's performance through a number of updates and reviews across multiple channels; these include a company newsletter "EPIC News", monthly briefings and annual roadshows, where the Directors undertake company-wide briefings to all parts of the business. In addition, the business continuously updates its website and holds regular intranet and tool-box briefings as well as encouraging its executives to attend regional operations throughout the year.

TAZIKER INDUSTRIAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Mindful of the increasing focus on employees' health and mental wellbeing, we now ensure that all our major projects have defibrillators as standard and dedicated Mental Health First Aiders on site.

Employees are also encouraged to identify socially beneficial initiatives to either provide physical support or to raise funds for employee-nominated charities, identifying these to the charities committee, an entirely, employee led charitable support initiative.

The Company also supports the employment and skills development of young people through an active apprenticeship programme and the recent introduction of our graduate training scheme.

Building relationships

We seek to build trusted relationships with our customers, by ensuring we provide a quality product offering at a commercially attractive rate. Our approach is underpinned by one of our key EPIC core values E, where we strive to achieve excellence in everything we do. To bolster our business relationships, we have in place a proactive business development team who listen to the requirements of our clients acting on their feedback to meet their needs and always seeking to act collaboratively (the C in our EPIC values) in their engagement with the client.

Following the delivery of our projects we conduct client satisfaction surveys that provide opportunities for us to review and assess our performance. This approach allows us to continue to develop our business in a dynamic fashion to meet changing client needs and identify further business opportunities through collaboration with clients and supply chain partners. Our success is evidenced through a significant uptake in repeat business as well as breaking into new markets via existing client networks through an established reputation for delivering quality and value.

We maintain responsible and efficient supply chains with the interests of the business aligned to those of our clients and those of our supplier base. We strive for recognition in being a timely payer, paying our supply chain and professional service partners in accordance to agreed terms. We also regularly engage with our supply chain to identify innovative and more cost-efficient solutions to the client needs. We are committed to ensuring that we embed sustainable procurement practices within our business, and this is equally important when we look to work with subcontractors within our supply chain. This is emboldened by the introduction of a Code of Conduct to reflect how we work together.

We are also committed to feeding back into the local economy and benefiting local communities in the areas where we work which we consider to be essential to our success. This approach strengthens our position in the market, enabling repeat business with local, regional and national clients alike.

Environment

The Directors are committed to minimising the impact of the Company's activities on the environment and actively monitors and manages its operations to mitigate any impact through climate change. Recent initiatives include a move where possible to biodiesel, for site plant and to operate solar powered welfare facilities. These and a host of smaller initiatives are evidence of our commitment, as we actively seek to further reduce carbon output.

The Company is committed to a culture of continuous improvement to identify initiatives that will reduce risks presented from its operations by actively identifying, monitoring and managing the impact of its activities on the environment – ie, our commitment to people, planet and profit. This commitment is enforced by ESG matters being reported to the Board on a monthly basis.

ESG & Community Activities

We are developing our ESG strategy for the business, combining our Environment, Social and Governance objectives under one umbrella. We conduct regular review meetings that enable us to develop our strategy to mirror the growth and development of the business. Our objective is to have a formal road map in place that sets out the targets that will take us on our ESG journey and sets out an action plan for delivering a 50% reduction in our carbon production by 2030 and to enable the business to become carbon neutral ahead of the 2050 UK target for business. This will be reflected in a performance dashboard reported to the board on a monthly basis.

TAZIKER INDUSTRIAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Social Value and Community Work

Our works as a business are designed to ensure we retain a legacy in UK infrastructure as a key aim for all our projects, and we seek to secure benefits for local communities during the delivery of our operations that will continue to grow well into the future. We are actively involved in several initiatives that focus on providing community value and ensuring that our operational delivery has a positive social impact in the places where we work.

We engage with various charities to offer meaningful employment opportunities to young people from disadvantaged backgrounds. As part of the Bristol Temple Meads Station refurbishment scheme, we are actively involved with the charity Caring in Bristol, which works with people experiencing or at risk of homelessness in the city. We became Corporate Members of the charity in January 2022. Initiatives have included employing long-term unemployed or homeless personnel and recycling surplus or waste materials from within our works for alternative use e.g. installing bike stands in Bristol schools.

Science Based Targets: We joined the Science Based Targets Initiative (SBTi) and in FY 2023, we published our carbon reduction commitment on their website, which set near-term (2030) GHG reduction targets for our Scope 1 and 2 emissions and set long-term (2050) reduction targets to achieve net-zero across our Scope 1, 2 and 3 emissions.

Carbon Reduction Plan: Our commitment to SBTi's provide a clearly defined pathway for us to reduce our greenhouse gas emissions, we have published the forecast and GHG reduction initiatives on our website as per as per our PPN06/21 notice commitments. These mirror the objectives and targets within our forthcoming ESG strategy.

The Group head for HSQE heads up the ESG Strategy supported by representatives from the Human Resources, Sustainability, Health, Safety, Environment and Finance teams, dedicated to ensuring the success of our ESG goals. They are responsible for introducing new initiatives and ideas, and to facilitate the progression of these as we monitor all current and new objectives through agreed KPI's.

Women in Engineering

We recognise the shortage of women within our industry and are actively trying to encourage more women into what has traditionally been seen as a male-dominated industry. This has resulted in a growth in the employment of women within the business to 11% at the end of FY23. We remain committed to actively striving to improve this statistic further and our target for FY24 is to see further incremental growth as a proportion of the workforce. As part of this we launched our Women in Construction Forum in May 2022 which identified several initiatives to attract more women to pursue a career in engineering-based roles.

Likely consequences of decisions in the long term

As a board we are determined to ensure we act with the long-term interests of the business at the forefront of our decision-making. Therefore, decisions need to be taken that provide for a sustainable business. Our strategy has been developed to enable all stakeholders to understand the impact they can have on the Group's long-term performance through engagement with the strategy, which is designed specifically to increase value and performance of the business over the short, medium and long term.

High standards of business conduct

We pride ourselves on our commitment to working ethically, transparently and with integrity, for the benefit of all our stakeholders. This allows us to manage the business responsibly and effectively to provide for a sustainable future, whilst ensuring we maintain high standards of business conduct as evidenced in our recently launched Code of Conduct.

This includes operating within the requirements of relevant legislation and regulations. We also have a series of policies and guidance setting out expected standards of behaviour and conduct. Our policies include responsible sourcing policy, anti-bribery policy, anti-slavery and modern day anti-slavery, human-trafficking policy, code of conduct policy and whistleblowing policy.

Climate change – Scope 1 and 2 emissions

The Company's greenhouse gas emissions (GHG) are reported in accordance with the UK Government's GHG Reporting Protocol relating to the six primary Kyoto greenhouse gases.

TAZIKER INDUSTRIAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Greenhouse Gas Emissions

		Absolute tonnes of CO ₂ e	
		2023	2022
	Scope 1	1,969	2,096
	Scope 2	114	35
Total Scope 1 and 2 Carbon Emissions		2,083	2,131
Total Scope 1 and 2 Carbon Emissions per £m Revenue		23.9	29.0

Scope 1 emissions include those resulting from combustion of fuel and heating facilities

Scope 2 emissions result from the purchase of electricity for own use.

Our combined Scope 1 & 2 energy use is 10.0m kWh (2022: 4.9m kWh)

We are committed to bringing all company greenhouse gas emissions to net-zero by 2050 in accordance with the UK government and the EU's commitment to global climate action under the Paris Agreement.

We continue to see a year-on-year reduction in our total scope 1 and scope 2 carbon emissions, with our current usage less than 35% of carbon emissions first reported in 2020; normalised by £88 million revenue.

We actively seek opportunities to further reduce carbon emissions within our own scope 1 and 2 operations and those within our supply chain classified under scope 3.

The principal measures taken by the company during the financial year to improve energy efficiency in its delivery include transitioning our worksites from fossil fuel supplies over to hydrated vegetable oil (HVO), increasing the use of solar powered cabins within our worksite establishments and continuing the transition of our commercial fleet to include greater percentages of hybrid and full EV vehicles.

Principal risks and uncertainties

The Directors have identified the principal risks and uncertainties which face the business as:

- The impact of recent events such as COVID and the Ukraine war and its effect on the availability for government spending on UK infrastructure;
- The high inflationary environment and its impact on material costs and availability;
- The availability of suitably skilled labour and the continued loss of access to EU labour;
- The impact of rising interest rates and their effect on investment into infrastructure spending by both public and private sector clients; and
- Ongoing industrial disruption reducing access to works and impairment of available treasury funds to support planned public spending intentions.

These matters have posed challenges in the current financial year and are expected to continue for the foreseeable future. However, a number of initiatives and strategies are in place to mitigate these risks.

The current order book is encouraging and together with our future pipeline continues to provide confidence that any impact will be satisfactorily managed. Costs will be managed to ensure they continually align to the businesses ongoing requirements. Employee engagement continues to be a priority for a board as outlined throughout this report. The significant removal of the amounts owed by the group following the group restructure in October 2023 reduces the exposure to rising interest rates and strengthens the group balance sheet.

Therefore, whilst it will diligently monitor developments the Directors are satisfied that the risk and their impact on the business will be mitigated and following the restructure in October 2023, expect the business to present a recovery in performance.

TAZIKER INDUSTRIAL LIMITED

STRATEGIC REPORT (CONTINUED)

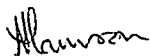
FOR THE YEAR ENDED 31 MARCH 2023

Key performance indicators

The Directors monitor the following key performance indicators for the Company on a monthly basis and at the period end they were as follows. Where these fall behind targets then actions are taken to remedy any deficit.

	2023 £'000	2022 £'000
Turnover	87,051	73,484
Operating (loss)/profit	(2,810)	3,816
EBITDA	(1,975)	4,626
Reconciliation of Profit before Tax to EBITDA:		
(Loss)/profit before tax as presented in the Profit and Loss account	(1,255)	5,139
Add back:		
Interest receivable and similar income	(1,582)	(1,374)
Interest payable and similar expenses	27	51
Depreciation, amortisation and profit on disposal of assets	835	810
EBITDA	(1,975)	4,626

On behalf of the board



.....
N C Harrison
Director

21/03/24
Date:

TAZIKER INDUSTRIAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

Principal activities

The company provides specialist services for the preparation, restoration and repair of structural steelwork, together with the surface treatment, coating and painting of structural steel bridges, buildings and other major structures. It also undertakes some remedial works in shipping and carries out the term maintenance and outage support of UK industrial complexes. The business has a specialist design and fabrication facility to undertake the design and build of new structural steel bridges and infrastructure and has recently launched a new FRP footbridge solution to market.

From the head office in Chorley, Lancashire and a network of regional centres throughout the UK mainland, we provide nationwide services to various sectors of UK infrastructure including UK Railways, Highways, local and regional transport authorities, utility services and mainstream construction, engineering and industrial services.

Directors

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

N C Harrison	
J C Ratcliffe	(Resigned 31 January 2023)
M S Taziker	(Resigned 22 June 2022)
J P Worrall	
S J Corcoran	(Resigned 1 July 2023)
S R Young	(Appointed 13 June 2022 and resigned 6 October 2023)
T Taziker	(Appointed 6 October 2023)
G P B Moor	(Appointed 6 October 2023)
N T Taziker	(Appointed 6 October 2023)

Results and dividends

The results for the year are set out on page 13.

No interim dividends were paid. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company is an equal opportunity employer and is committed to good practice in the recruitment and personal development of all employees. Training and development is of high priority and our employees are encouraged towards continuous personal development through training, mentoring and other activities.

TAZIKER INDUSTRIAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Post reporting date events

Following the year end and in consultation with the investors, a group restructure has taken place which has resulted in a new group corporate structure. Under the revised structure an intermediate holding company within the group, Forth Bidco Limited has been sold by Forth Midco Limited to Taziker Midco Limited who is wholly owned by Taziker Topco Limited. The largest shareholder of Taziker Topco Limited is now The Taziker New Money Group which is owned by Thomas Taziker, Nigel Taziker and Graham Moor. Freshstream Fund I GP (in its capacity as general partner of Freshstream I LP) who were the largest shareholder under the old group structure now holds a minority interest in Taziker Topco. In the opinion of the general partner, there is no ultimate controlling party of Freshstream I LP.

The restructure has significantly de-leveraged the group with the Unitranche facility (£42.8m) and the Revolving credit facility (£6.0m), which the company is a guarantor, being released. Further debts held within the Group consisting of a Freshstream loan of £3.6m and Vendor Loan notes of £16.2m have also been released. In addition to these debt releases, there has also been a working capital cash injection of £3.0m (net) into the new group.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

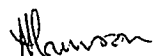
Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
N C Harrison
Director

Date: 21/03/24
.....

TAZIKER INDUSTRIAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the Strategic Report and the Directors' 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAZIKER INDUSTRIAL LIMITED

Opinion

We have audited the financial statements of Taziker Industrial Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAZIKER INDUSTRIAL LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 directors' responsibilities statement set out on page 9, 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.

Auditor's 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAZIKER INDUSTRIAL LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to industry specific accreditations, specifically RISQS, Principal Contractor Licensing, ISO 9001, ISO 14001 and ISO 45001. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and by reviewing latest certifications.

The audit engagement team identified the risk of management override of controls and judgements and estimates made in the valuation of amounts recognised and recoverable on contracts as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business.
- challenging judgements and estimates applied in the valuation of amounts recognised and deemed recoverable on contracts by corroborating a sample of contract revenue and expenditure to supporting documentation, discussing contract performance with individuals outside of the finance function, reviewing post year end performance and comparing outturn of projects with estimates made in preparing the previous year's financial statements.

A further description of our responsibilities for the audit of the financial statements is located 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.

Alison Ashley

Alison Ashley (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire, PR2 5PE

.....
21/03/24

TAZIKER INDUSTRIAL LIMITED

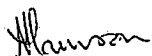
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
Turnover	3	87,051	73,484
Cost of sales		(77,185)	(59,337)
Gross profit		9,866	14,147
Administrative expenses		(12,981)	(10,369)
Other operating income		305	38
Operating (loss)/profit	6	(2,810)	3,816
Interest receivable and similar income	8	1,582	1,374
Interest payable and similar expenses	9	(27)	(51)
(Loss)/profit before taxation		(1,255)	5,139
Tax on (loss)/profit	10	(61)	(294)
(Loss)/profit for the financial year		(1,316)	4,845

TAZIKER INDUSTRIAL LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

		2023	2022
	Notes	£'000	£'000
Fixed assets			
Intangible assets	11	29	50
Tangible assets	12	3,489	2,196
		<u>3,518</u>	<u>2,246</u>
Current assets			
Stocks	13	1,461	1,032
Debtors	14	29,006	31,549
Cash at bank and in hand		5,906	884
		<u>36,373</u>	<u>33,465</u>
Creditors: amounts falling due within one year	15	<u>(22,743)</u>	<u>(17,818)</u>
Net current assets		<u>13,630</u>	<u>15,647</u>
Total assets less current liabilities		<u>17,148</u>	<u>17,893</u>
Creditors: amounts falling due after more than one year	16	(614)	(43)
Net assets		<u><u>16,534</u></u>	<u><u>17,850</u></u>
Capital and reserves			
Called up share capital	19	-	-
Profit and loss reserves	20	16,534	17,850
Total equity		<u><u>16,534</u></u>	<u><u>17,850</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21/03/24 and are signed on its behalf by:



N C Harrison
Director

TAZIKER INDUSTRIAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£'000	£'000	£'000
Balance at 1 April 2021	-	13,005	13,005
Year ended 31 March 2022:			
Profit and total comprehensive income for the year	-	4,845	4,845
Balance at 31 March 2022	-	17,850	17,850
Year ended 31 March 2023:			
Loss and total comprehensive income for the year	-	(1,316)	(1,316)
Balance at 31 March 2023	-	16,534	16,534

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Taziker Industrial Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Levens House, Ackhurst Business Park, Foxhole Road, Chorley, PR7 1NY.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Forth Topco Limited. These consolidated financial statements are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Going concern

The financial statements have been prepared on a going concern basis.

The Company is in a net asset position with the carrying value of the assets supported by the future cashflows of the Group. As set out in note 21, the Company is party to Group funding arrangements and as such going concern has been assessed alongside the Group position. Written confirmation of Group support has been received by the directors of the company.

The Company's business activities, together with the factors likely to affect its future development, performance and position are noted in the Strategic Report. As also noted in the strategic report, the directors consider that the trading losses incurred in the current year have largely been attributable to the drive for revenue diversification into new markets where the performance has been impacted by lower margins and the recognition of obligations in respect of future expected losses on contracts spanning the year end. Most of those contracts have been completed throughout FY24 with a couple spanning into Q1 FY25.

Following the year end and in consultation with the investors, a group restructure has taken place which has resulted in a new group corporate structure. Under the revised structure an intermediate holding company within the group, Forth Bidco Limited has been sold by Forth Midco Limited to Taziker Midco Limited who is wholly owned by Taziker Topco Limited. The largest shareholder of Taziker Topco Limited is now The Taziker New Money Group which is owned by Thomas Taziker, Nigel Taziker and Graham Moor. Freshstream Fund I GP (in its capacity as general partner of Freshstream I LP) who were the largest shareholder under the old group structure now holds a minority interest in Taziker Topco. In the opinion of the general partner, there is no ultimate controlling party of Freshstream I LP.

The restructure has significantly de-leveraged the group with the Unitranche facility (£42.8m) and the Revolving credit facility (£6.0m), which the company is a guarantor, being released. Further debts held within the Group consisting of a Freshstream loan of £3.6m and Vendor Loan notes of £16.2m have also been released. In addition to these debt releases, there has also been a working capital cash injection of £3.0m (net) into the new group. Furthermore, the new Group is no longer bound by any banking facility covenants and the removal of this debt will significantly reduce the wider Group's interest burden in future periods.

As the business moves into the FY25, the Company has a strong pipeline of business opportunities and a substantial value of secured orders (c70% of FY25 forecast) with a number of government and blue-chip customers across different geographical areas and market segments, including framework contracts.

The Directors have prepared Group trading forecasts extending beyond 12 months from the signing of these financial statements and have confidence in the size and resilience of the markets in which the Group operates to support these forecasts as well as their ability to succeed in future bid opportunities. Following the restructure, a significant cost reduction plan has been implemented reducing the cost base within the business. The savings in relation to this cost reduction have predominantly been realised from December 2023 onwards. In preparing these forecasts the Directors have analysed both the secured revenue and pipeline opportunities within the businesses CRM system. In cashflow forecasting, the directors consider that they have applied cautious assumptions to both revenue and margin contributions. Forecast revenue for FY25 assumes a reduction of circa 8% on FY23 and FY24 revenues. Despite these assumptions the forecasts reflect that the business will return to profit with positive cashflows in FY25 and will operate within its available cash balances throughout each of the next 12 months.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

In order to assess the level of sensitivity which would result in a shortfall in available funding, a stress case scenario has been prepared. This reflects significant revenue reduction of a further 11% and gross margin downgrades in excess of that expected to be achieved and minimal mitigating cost savings compared to the base case. The stress case also reflected an increase in debtor days and a decrease in creditor days. The Directors feel there is enough headroom within the base case forecast to provide confidence that the stress case scenario would be unrealistic and that immediate actions would be taken to reduce costs further and to flex and extend working capital cycles that would be expected to offset this level of revenue and / or margin shortfall.

Additionally, the shareholders have provided written confirmation of a further £1m cash injection being made available to the group, as required, for a period of 12 months from the date of approval of the financial statements.

On the basis of this overall assessment, the Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future, being twelve months from the date of signing these financial statements. The Directors therefore continue to adopt the going concern basis in preparing these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and discounts. Turnover includes revenue earned from the rendering of services under construction contracts.

Revenue from contracts for the provision of construction services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion of a contract is measured based on specific milestones on a contract by contract basis. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is highly probable that the customer will accept the claim. Estimates of revenue and costs are reviewed as the contract progresses. When it is probable that the total contract costs will exceed total contract revenue on a construction contract, the expected loss is recognised as an expense immediately.

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date less a provision for foreseeable losses and less progress billings. Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the turnover recognised, then the difference is presented as payments on accounts in the balance sheet.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Software	33% on cost
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

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

Leasehold land and buildings	between 10% and 33% on cost
Property improvements	between 20% and 33% on cost
Plant and equipment	30% on reducing balance and at varying rates on cost
Fixtures and fittings	15% on cost
Computers	33% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks comprise of work in progress and relate to costs incurred during the financial year in connection with future activity on a contract and are excluded from the costs incurred to date. Such costs are shown as work in progress on the balance sheet unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately.

Cash and cash equivalents

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by contract customers, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and payments received on account, are initially recognised at transaction price.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Turnover and construction contract debtors

The company recognises an appropriate amount as revenue and profit when the outcome of a construction contract can be estimated reliably, as described in the turnover accounting policies note. This relies on the judgement of management with respect to the expected total end of contract margin with costs being accrued through the life the contract to the expected end margin. Where there is an expected loss on a contract, the total loss is accrued at the time of this becoming known. During the year losses of £4.0m (2022: £0.1m) were recognised against projects with an expected end of life loss.

3 Turnover and other revenue

	2023 £'000	2022 £'000
Turnover analysed by class of business		
Services under construction contracts	87,051	73,484

4 Employees

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

	2023 Number	2022 Number
Productive labour	395	298
Sales	9	7
Administration	69	61
Total	473	366

TAZIKER INDUSTRIAL LIMITED

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

4 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	22,413	16,953
Social security costs	2,752	2,019
Pension costs	1,449	461
	<u>26,614</u>	<u>19,433</u>

5 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	713	595
Company pension contributions to defined contribution schemes	96	37
	<u>809</u>	<u>632</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022: 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £'000	2022 £'000
Remuneration for qualifying services	225	192
Company pension contributions to defined contribution schemes	21	16
	<u></u>	<u></u>

6 Operating (loss)/profit

	2023 £'000	2022 £'000
Operating (loss)/profit for the year is stated after charging/(crediting):		
Government grants	(55)	(35)
Depreciation of owned tangible fixed assets	871	881
Depreciation of tangible fixed assets held under finance leases	170	12
Profit on disposal of tangible fixed assets	(233)	(122)
Amortisation of intangible assets	27	39
Operating lease charges	1,182	663
	<u></u>	<u></u>

TAZIKER INDUSTRIAL LIMITED

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

7 Auditor's remuneration

	2023 £'000	2022 £'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	68	30
For other services		
Taxation compliance services	20	4
All other non-audit services	5	7
	<u>25</u>	<u>11</u>

8 Interest receivable and similar income

	2023 £'000	2022 £'000
Interest income		
Interest receivable from group companies	1,582	1,374

9 Interest payable and similar expenses

	2023 £'000	2022 £'000
Other interest payable	-	50
Interest on finance leases and hire purchase contracts	27	1
	<u>27</u>	<u>51</u>

10 Taxation

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the current period	47	-
Adjustments in respect of prior periods	(94)	(498)
Group tax relief	108	792
	<u>61</u>	<u>294</u>

TAZIKER INDUSTRIAL LIMITED

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

10 Taxation (Continued)

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

	2023 £'000	2022 £'000
(Loss)/profit before taxation	(1,255)	5,139
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(238)	976
Tax effect of expenses that are not deductible in determining taxable profit	61	36
Tax effect of income not taxable in determining taxable profit	-	(1)
Unutilised tax losses carried forward	365	(242)
Adjustments in respect of prior years	(94)	(498)
Current year timing differences for which no deferred tax asset was recognised	(33)	23
Taxation charge for the year	61	294

There is an unrecognised deferred tax asset arising on the difference between accumulated depreciation and capital allowances amounting to £370,000 (2022: £470,000). These have not been recognised due to uncertainty over the level and timing of future profits of the group that would be required for the utilisation of the deferred tax asset.

Corporation tax is calculated at 19% (2022 - 19%) of the profit for the year. The Finance Act 2021 which was substantively enacted on 24 May 2021 created a 25% main rate, 19% small profits rate and a marginal rate which is effective from 1 April 2023. Deferred tax balances at the year-end have been measured at 25% (2022: 25%) which is the rate that the deferred tax liabilities are expected to crystallise.

TAZIKER INDUSTRIAL LIMITED

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

11 Intangible fixed assets

	Software £'000
Cost	
At 1 April 2022	275
Additions	6
Disposals	(6)
	<hr/>
At 31 March 2023	275
	<hr/>
Amortisation and impairment	
At 1 April 2022	225
Amortisation charged for the year	27
Disposals	(6)
	<hr/>
At 31 March 2023	246
	<hr/>
Carrying amount	
At 31 March 2023	29
	<hr/>
At 31 March 2022	50
	<hr/>

TAZIKER INDUSTRIAL LIMITED

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

12 Tangible fixed assets

	Leasehold land and buildings	Property improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2022	44	284	3,101	131	276	869	4,705
Additions	62	878	1,002	-	48	551	2,541
Disposals	-	-	(132)	-	(55)	(478)	(665)
At 31 March 2023	106	1,162	3,971	131	269	942	6,581
Depreciation and impairment							
At 1 April 2022	17	105	1,677	64	181	465	2,509
Depreciation charged in the year	29	110	639	18	54	191	1,041
Eliminated in respect of disposals	-	-	(67)	-	(54)	(337)	(458)
At 31 March 2023	46	215	2,249	82	181	319	3,092
Carrying amount							
At 31 March 2023	60	947	1,722	49	88	623	3,489
At 31 March 2022	27	179	1,424	67	95	404	2,196

TAZIKER INDUSTRIAL LIMITED

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

12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2023 £'000	2022 £'000
Plant and equipment	286	-
Motor vehicles	504	80
Property improvements	54	-
	<u>844</u>	<u>80</u>
Depreciation charge for the year in respect of leased assets	<u>170</u>	<u>12</u>

13 Stocks

	2023 £'000	2022 £'000
Work in progress	<u>1,461</u>	<u>1,032</u>

14 Debtors

	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	2,125	2,536
Gross amounts owed by contract customers	8,349	7,542
Corporation tax recoverable	139	-
Amounts owed by group undertakings	13,272	16,361
Other debtors	103	29
Prepayments and accrued income	1,017	866
	<u>25,005</u>	<u>27,334</u>
Amounts falling due after more than one year:		
Gross amounts owed by contract customers	501	715
Amounts owed by group undertakings	3,500	3,500
	<u>4,001</u>	<u>4,215</u>
Total debtors	<u>29,006</u>	<u>31,549</u>

An impairment charge of £nil (2022: £117,000) was recognised against trade debtors and construction debtors.

TAZIKER INDUSTRIAL LIMITED

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

15 Creditors: amounts falling due within one year

	Notes	2023 £'000	2022 £'000
Obligations under finance leases	17	201	31
Payments received on account		2,429	294
Trade creditors		7,156	7,650
Corporation tax		-	744
Other taxation and social security		2,684	1,408
Other creditors		674	484
Accruals and deferred income		9,599	7,207
		<u>22,743</u>	<u>17,818</u>

16 Creditors: amounts falling due after more than one year

	Notes	2023 £'000	2022 £'000
Obligations under finance leases	17	614	43
		<u>614</u>	<u>43</u>

17 Finance lease obligations

	2023 £'000	2022 £'000
Future minimum lease payments due under finance leases:		
Less than one year	201	31
Between one and five years	614	43
	<u>815</u>	<u>74</u>

Finance lease payments represent rentals payable by the company for certain tangible fixed assets. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease liabilities are secured on the asset to which the agreement relates.

18 Retirement benefit schemes

	2023 £'000	2022 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,449	461
	<u>1,449</u>	<u>461</u>

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

Included within other creditors is £135,000 (2022: £95,000) relating to pension costs paid after the year end.

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Share capital

	2023 £'000	2022 £'000
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each (2022: 100)	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

The ordinary shares have full voting and dividend rights.

20 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

21 Financial commitments, guarantees and contingent liabilities

The company has granted a fixed and floating charge over its property, undertakings and assets to secure loan facilities provided to the fellow group company, Forth Bidco Limited. At 31 March 2023, the amount secured is £42,830,000 (2022: £39,678,000) which is due for repayment for maturity in 2024. A further £6,000,000 (2022: £5,000,000) drawn under a revolving facility was also secured under the loan agreement. The loans are included in Forth Bidco Limited's financial statements net of unamortised transaction costs. As set out in note 24, these balances and related guarantees were released in full post year end.

22 Operating lease commitments

Lessee

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

	2023 £'000	2022 £'000
Within one year	1,044	614
Between one and five years	3,210	1,396
In over five years	2,283	245
	<u> </u>	<u> </u>
	6,537	2,255
	<u> </u>	<u> </u>

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023 £'000	2022 £'000
Acquisition of tangible fixed assets	362	748
	<u> </u>	<u> </u>

TAZIKER INDUSTRIAL LIMITED

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

24 Events after the reporting date

Following the year end and in consultation with the investors, a group restructure has taken place which has resulted in a new group corporate structure.

Under the revised structure an intermediate holding company within the group, Forth Bidco Limited has been sold by Forth Midco Limited to Taziker Midco Limited who is wholly owned by Taziker Topco Limited. The largest shareholder of Taziker Topco Limited is now The Taziker New Money Group which is owned by Thomas Taziker, Nigel Taziker and Graham Moor. Freshstream Fund I GP (in its capacity as general partner of Freshstream I LP) who were the largest shareholder under the old group structure now holds a minority interest in Taziker Topco. In the opinion of the general partner, there is no ultimate controlling party of Freshstream I LP.

The restructure has significantly de-leveraged the group with the Unitranche facility (£42.8m) and the Revolving credit facility (£6.0m), which the company is a guarantor, being released. Further debts held within the Group consisting of a Freshstream loan of £3.6m and Vendor Loan notes of £16.2m have also been released. In addition to these debt releases, there has also been a working capital cash injection of £3.0m (net) into the new group.

25 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	2023 £'000	2022 £'000
Services supplied by a company in which a group director has an interest	56	55
Amounts paid to a company under operating leases in which a group director or shareholder holds an interest	68	68
	<u> </u>	<u> </u>

The company is committed to operating leases for two premises which are owed by SIPPs in which two shareholders (including one who is a group director) have an interest. Non cancellable lease rentals under the associated agreements are payable as follows:

	2023 £'000	2022 £'000
Within one year	65	65
One to five years	54	119
Over five years	-	-
	<u>119</u>	<u>184</u>

TAZIKER INDUSTRIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

26 Ultimate controlling party

The company's immediate parent company is TI Industrial Group Limited and its ultimate parent entity is Freshstream Fund I GP (in its capacity as general partner of Freshstream I LP). In the opinion of the general partner, there is no ultimate controlling party of Freshstream I LP.

The smallest and largest group in which the results of the company are consolidated is that headed by Forth Topco Limited. The registered address of Forth Topco Limited is 47 Esplanade, St Helier, Jersey, JE1 0BD. No other financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.