

# Financial Statements



# Statement of Comprehensive Income

For the year ended 30 September 2023

	2023 £'000	2022 £'000
Share of trading profit	5,109	5,468
Administrative expenses	(7,541)	(6,851)
Other operating income	3,520	1,963
<b>Operating profit</b>	<b>1,088</b>	<b>580</b>
Gain on disposal of investments in trading entities	30,608	–
Return on investments in trading entities	1,598	1,294
Impairment of investment in trading entities	(21,117)	(1,617)
Interest receivable and similar income	14,245	3,973
Interest payable and similar expenses	(54)	(172)
Fair value movements on investments in trading entities	(13,232)	29,401
<b>Profit before tax</b>	<b>13,136</b>	<b>33,459</b>
Tax rebate/(tax) on profit	993	(1,889)
<b>Profit for the financial year</b>	<b>14,129</b>	<b>31,570</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 45 to 50 form part of these financial statements.

## Balance Sheet

As at 30 September 2023

		2023		2022	
	Note	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Fixed asset investments	4		310,524		328,888
			<u>310,524</u>		<u>328,888</u>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	5	7,346		295	
Debtors: amounts falling due within one year	5	7,822		3,203	
Cash at bank and in hand	6	68,021		12,197	
		<b>83,189</b>		<b>15,695</b>	
Creditors: amounts falling due within one year	7	(8,659)		(9,816)	
<b>Net current assets</b>			<u>74,530</u>		<u>5,879</u>
<b>Total assets less current liabilities</b>			<b>385,054</b>		<b>334,767</b>
<b>Net assets</b>			<b>385,054</b>		<b>334,767</b>
<b>Capital and reserves</b>					
Called up share capital	9		2,702		2,446
Share premium account			46,516		10,614
Revaluation reserve			21,525		38,769
Capital redemption reserve			3		3
Profit and loss account			314,308		282,935
			<b>385,054</b>		<b>334,767</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

J Watson  
Director



Date: 21 March 2024

The notes on pages 45 to 50 form part of these financial statements.

# Statement of Changes in Equity

For the year ended 30 September 2023

	Called up share capital £'000	Share premium account £'000	Capital re- demption reserve £'000	Re- valuation reserve £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 October 2021</b>	2,084	237,179	3	3,853	14,071	257,190
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	31,570	31,570
Capital reorganisation	-	(272,210)	-	-	272,210	-
Shares issued during the year	362	45,645	-	-	-	46,008
Transfer from profit and loss account	-	-	-	34,916	(34,916)	-
<b>At 1 October 2022</b>	<b>2,446</b>	<b>10,614</b>	<b>3</b>	<b>38,769</b>	<b>282,935</b>	<b>334,768</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	14,129	14,129
Shares issued during the year	256	35,902	-	-	-	36,157
Transfer to profit and loss account	-	-	-	(17,244)	17,244	-
<b>At 30 September 2023</b>	<b>2,702</b>	<b>46,516</b>	<b>3</b>	<b>21,525</b>	<b>314,308</b>	<b>385,054</b>

The notes on pages 45 to 50 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 30 September 2023

## 1. General information

Bagnall Energy Limited is a private company limited by shares incorporated in England and Wales. Its registered office and principal place of business is 6th Floor St Magnus House, 3 Lower Thames Street, London, EC3R 6HD.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

### 2.2 Exemption from preparing consolidated financial statements

The company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

### 2.3 Income

Included within investments in trading entities are interests in trading partnerships. Income from trading partnership interests is described within the financial statements as share of trading partnership profits, and is recognised once allocated to the partnership.

Included within investments in trading entities are investments in shares of trading entities. Returns from investments in shares in trading entities in respect of priority returns are recognised as income in the Statement of Comprehensive Income if received during the year. Where priority returns are accrued but not received during the year, they are recognised, together with any corresponding impairments, as a movement in the fair value of the investment through the profit and loss account and recognised in the Statement of Comprehensive Income.

### 2.4 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### 2.5 Finance costs

Finance costs are charged to profit or loss 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.



## Notes to the Financial Statements continued

For the year ended 30 September 2023

### 2. Accounting policies (Continued)

#### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

#### 2.8 Valuation of investments in trading entities

Investments in trading entities are measured at fair value and managed in accordance with the company's documented policies.

The valuation of an investment upon acquisition is initially deemed to be cost and is measured subsequently at fair value. Fair value movements in the valuation of an investment are taken to the profit and loss account and recognised in the Statement of Comprehensive Income. Any unrealised gains or subsequent losses up to the value of those gains previously recognised at the Balance Sheet date are transferred to the revaluation reserve in the Statement of Changes in Equity.

#### 2.9 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.

#### 2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 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 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

# Notes to the Financial Statements continued

For the year ended 30 September 2023

## 2. Accounting policies (Continued)

### 2.12 Financial instruments (Continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

### 2.13 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.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

## Notes to the Financial Statements continued

For the year ended 30 September 2023

### 3. Employees

	2023 £'000	2022 £'000
Wages and salaries	86	194
	<hr/> 86	<hr/> 194

The average monthly number of employees, including directors, during the year was 5 (2022 - 5).

### 4. Investments in trading entities

	Investments £'000
<b>Cost</b>	
At 1 October 2022	287,032
Additions	133,526
Disposals	(118,992)
Impairments	(21,117)
Reclassification of interest on loan stock	(3,879)
At 30 September 2023	<hr/> <b>276,570</b>
<b>Revaluations</b>	
At 1 October 2022	41,856
Charge for the period	22,243
Revaluation on disposals	(34,978)
Interest on loan stock	4,833
At 30 September 2023	<hr/> <b>33,954</b>
<b>Net book value</b>	
At 30 September 2023	<hr/> <b>310,524</b>
At 30 September 2022	<hr/> 328,888

Since the Balance Sheet date, the Company has purchased further investments in trading entities totalling £50,260,000.



## Notes to the Financial Statements continued

For the year ended 30 September 2023

### 5. Debtors

	2023 £'000	2022 £'000
<b>Due within one year</b>		
Trade debtors	1,245	1,480
Other debtors	6,570	1,723
Prepayments and accrued income	7	–
	<b>7,822</b>	<b>3,203</b>
	2023 £'000	2022 £'000
<b>Due after more than one year</b>		
Other debtors	7,346	295

### 6. Cash and cash equivalents

	2023 £'000	2022 £'000
Cash at bank and in hand	68,021	12,197

### 7. Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Other loans (note 8)	1,500	1,500
Corporation tax	1,196	2,189
Other creditors	2,367	3,088
Accruals and deferred income	3,596	3,039
	<b>8,659</b>	<b>9,816</b>

## Notes to the Financial Statements continued

For the year ended 30 September 2023

### 8. Loans

Analysis of the maturity of loans is given below:

	2023 £'000	2022 £'000
<b>Amounts falling due within one year</b>		
Other loans	1,500	1,500

### 9. Share capital

	2023 £'000	2022 £'000
<b>Allotted, called up and fully paid</b>		
270,198,763 (2022 - 244,649,007) Ordinary shares of £0.01 each	2,702	2,446

During the year the Company issued 25,549,756 (2022 - 36,280,803) shares at an average price of 144.1 (2022 - 128.4) pence per share.

Since the Balance Sheet date the Company issued 1,804,565 (2022 - 2,890,988) new shares at an average price of 145.4 (2022 - 139.1) pence per share.

### 10. Guarantees

The Company has guaranteed bank borrowings by fixed charges and containing a negative pledge over the assets of the Company. At the year end the carrying amount covered by these guarantees totalled £32,169,276 (2022 - £34,162,394).

### 11. Related party transactions

During the year fees of £7,252,262 (2022 - £6,130,995) were payable to the Manager of the Company. Included within creditors at the Balance Sheet date is an amount of £3,399,582 (2022 - £2,908,657) in relation to fees due to the Manager.

During the year the Company made net withdrawals of £42,307,108 (2022 - net contributions of £389,018) to a partnership in which it has a controlling interest. At the Balance Sheet date the Company had an interest of £28,662,086 (2022 - £70,969,195) in this partnership.