

Financial Statements

The background of the page is a photograph of a large concrete dam. Water is cascading over the spillways, creating a series of blue, curved, and textured flows that dominate the lower two-thirds of the image. The concrete structure of the dam is visible at the top and on the left side.

Bagnall Energy Limited

Statement of Comprehensive Income

For the year ended 30 September 2024

	2024 £'000	2023 £'000
Share of trading profit	(741)	5,109
Administrative expenses	(8,039)	(7,541)
Other operating income	7,716	3,520
Operating profit	(1,064)	1,088
Gain on disposal of investments in trading entities	133	30,608
Return on investments in trading entities	–	1,598
Impairment of investment in trading entities	(10,140)	(21,117)
Interest receivable and similar income	12,922	14,245
Interest payable and similar expenses	(9)	(54)
Fair value movements on investments in trading entities	8,899	(13,232)
Profit before tax	10,741	13,136
Tax rebate on profit	1,984	993
Profit for the financial year	12,725	14,129
Other comprehensive income for the year	–	–
Total comprehensive income for the year	12,725	14,129

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023: £nil).

The notes on pages 39 to 46 form part of these financial statements.

Bagnall Energy Limited

Balance Sheet

For the year ended 30 September 2024

		2024		2023	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Investments in trading entities	4		372,821		310,524
			<u>372,821</u>		<u>310,524</u>
Current assets					
Debtors: amounts falling due after more than one year	5	4,978		7,346	
Debtors: amounts falling due within one year	5	9,518		7,822	
Cash at bank and in hand	6	39,032		68,021	
		<u>53,528</u>		<u>83,189</u>	
Creditors: amounts falling due within one year	7	(3,030)		(8,659)	
Net current assets			50,498		74,530
Total assets less current liabilities			<u>423,319</u>		<u>385,054</u>
Net assets			<u>423,319</u>		<u>385,054</u>
Capital and reserves					
Called up share capital	9		2,878		2,702
Share premium account			71,880		46,516
Revaluation reserve			29,392		21,525
Capital redemption reserve			3		3
Profit and loss account			319,166		314,308
			<u>423,319</u>		<u>385,054</u>

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 *James Watson*

Date: 16 April 2025

The notes on pages 39 to 46 form part of these financial statements.

Bagnall Energy Limited

Statement of Changes in Equity

For the year ended 30 September 2024

	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
At 1 October 2022	2,446	10,614	3	38,769	282,935	334,767
Comprehensive income for the year						
Profit for the year	-	-	-	-	14,129	14,129
Shares issued during the year	256	35,902	-	-	-	36,158
Transfer from profit and loss account	-	-	-	(17,244)	17,244	-
At 1 October 2023	2,702	46,516	3	21,525	314,308	385,054
Comprehensive income for the year						
Profit for the year	-	-	-	-	12,725	12,725
Shares issued during the year	176	25,364	-	-	-	25,540
Transfer to profit and loss account	-	-	-	7,867	(7,867)	-
At 30 September 2024	2,878	71,880	3	29,392	319,166	423,319

The notes on pages 39 to 46 form part of these financial statements.

Bagnall Energy Limited

Notes to the Financial Statements

For the year ended 30 September 2024

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 10 Lower Thames Street, London, EC3R 6AF.

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 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.

2.3 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.

2.4 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.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

2. Accounting policies continued

2.5 Interest income

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

2.6 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.

2.7 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.

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash 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.

2.10 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.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

2. Accounting policies continued

2.11 Financial instruments

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due within the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

2. Accounting policies continued

2.11 Financial instruments continued

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method. Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

2. Accounting policies continued

2.11 Financial instruments continued

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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'.

3. Employees

	2024	2023
	£'000	£'000
Wages and salaries	92	86

The average monthly number of employees, including directors, during the year was 4 (2023 - 5).

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

4. Investments in trading entities

	Investments £'000
Cost	
At 1 October 2023	276,570
Additions	96,499
Disposals	(38,665)
Impairments	(10,140)
At 30 September 2024	324,264
Revaluations	
At 1 October 2023	33,954
Movement	14,603
At 30 September 2024	48,557
Net book value	
At 30 September 2024	372,821
At 30 September 2023	310,524

Since the Balance Sheet date, the Company has purchased further investments in trading entities totalling £32,974,622.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

5. Debtors

	2024 £'000	2023 £'000
Due within one year		
Trade debtors	2,723	1,245
Other debtors	6,794	6,570
Prepayments and accrued income	1	7
	9,518	7,822
	2024 £'000	2023 £'000
Due after more than one year		
Other debtors	4,978	7,346

6. Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	39,032	68,021

7. Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Other loans (note 8)	–	1,500
Corporation tax	–	1,196
Other creditors	864	2,367
Accruals and deferred income	2,166	3,596
	3,030	8,659

Since the Balance Sheet date, the Company entered into a revolving credit facility of £70m. As at the signing date, the amount drawn on this facility was £nil.

Bagnall Energy Limited

Notes to the Financial Statements continued

For the year ended 30 September 2024

8. Loans

Analysis of the maturity of loans is given below:

	2024	2023
	£'000	£'000
Amounts falling due within one year		
Other loans	–	1,500

9. Share capital

	2024	2023
	£'000	£'000
Allotted, called up and fully paid		
287,848,538 (2023 – 270,198,763) Ordinary shares of £0.01 each	2,878	2,702

During the year the Company issued 17,649,775 (2023 – 25,549,756) shares at an average price of 146.1 (2023 – 144.1) pence per share.

Since the Balance Sheet date the Company issued 27,707,764 (2023 – 1,804,565) new shares at an average price of 147.8 (2023 – 145.4) pence per share.

Since the Balance Sheet date the Company redeemed 331,755 (2023 – nil) new shares at an average price of 147.7 (2023 – nil) 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 £32,009,560 (2023 - £32,169,276).

11. Related party transactions

During the year fees of £5,970,151 (2023 - £7,252,262) were payable to the Manager of the Company. Included within creditors at the Balance Sheet date is an amount of £1,862,522 (2023 - £3,399,582) in relation to fees due to the Manager.

During the year the Company made net withdrawals of £27,596,296 (2023 - £42,307,108) to a partnership in which it has a controlling interest. At the Balance Sheet date the Company had an interest of £3,224,064 (2022 - £28,662,086) in this partnership.