

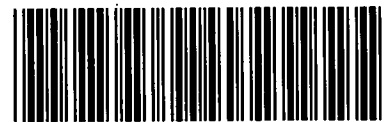
Registration number: 03275445

Centrica Business Solutions Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

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Centrica Business Solutions Management Limited

Contents

	Page(s)
Strategic Report	1 to 4
Directors' Report	5 to 8
Statement of Directors' Responsibilities	7
Independent Auditors' Report	9 to 12
Income Statement	13
Statement of Financial Position	14 to 15
Statement of Changes in Equity	16
Notes to the Financial Statements	17 to 35

Centrica Business Solutions Management Limited

Strategic Report for the Year Ended 31 December 2022

The Directors present their Strategic Report for Centrica Business Solutions Management Limited (the 'Company') for the year ended 31 December 2022.

Principal activity

The principal activities of the Company during the year were the holding of investments in subsidiary companies and to develop new business opportunities. In doing so, the Company provides management and support services to the Centrica Business Solutions business segment.

Company strategy

The Company's strategy is to act as a holding company to its subsidiaries and to develop new business opportunities by identifying opportunities for the expansion of the Group's energy asset portfolio and other energy efficiency technologies. Consistent with this strategy, the directors accept that it is appropriate for the Company to bear related costs. These costs will include, inter alia:

- The development and promotion of the wider division's solutions businesses;
- Initial consideration of new concepts and technologies;
- Policy and standard setting for itself and its subsidiaries;
- Promoting knowledge and awareness of capabilities and technologies; and
- Managing risks and reputation.

The benefits from these activities will be to enhance the value of, and returns from, its subsidiaries.

Section 172(1) Statement

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Companies Act, 2006. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

(a) The likely consequences of any decision in the long term: The Directors remain conscious that decisions made could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to ensure that our decisions are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as supplier of long-term equity capital to the Company.

Centrica Business Solutions Management Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

(b) The interests of the company's employees: Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the Company has no direct employees; therefore, the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

(c) The need to foster the company's business relationships with suppliers, customers and others: Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. However, as the principal activity of the Company is to act as an investment holding company, its stakeholders during the period comprise other Centrica Group companies, and, as such, the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied.

(d) The impact of the company's operations on the community and the environment: Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group.

(e) The desirability of the company maintaining a reputation for high standards of business conduct: The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

(f) The need to act fairly as between members of the company: The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

Further information about how the Centrica Group engages with, and considered the interests of, different key stakeholders can be found on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

Culture

The Company's culture is set by the Group and embedded in all we do. Further information on the Group's culture can be found on pages 7, 37, 44 to 45, 56 to 59, 67 and 71 of Centrica plc's Annual Report and Accounts 2022.

Stakeholder Engagement

As is normal for large companies, the Directors delegate authority for day to day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. While there may be cases where the Directors judge that the Company should engage directly with certain stakeholder groups or on specific issues, the size and spread of both our stakeholders and the Group means that generally, stakeholder engagement best takes place at an operational or Group level. The Directors consider that as well as being a more efficient and effective approach, this also helps achieve a greater positive impact on environmental, social and other issues than working alone as an individual company. A description of how the Group engages with its stakeholders is set out on pages 12 to 13, 37 to 38 and 66 to 71 of Centrica plc's Annual Report and Accounts 2022.

Centrica Business Solutions Management Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Review of the business

The financial position of the Company is presented in the Statement of Financial Position on page 14. Total equity as at 31 December 2022 was £(65,600,000) (2021: £(53,765,000)). The loss for the financial year ended 31 December 2022 was £(12,813,000) (2021: loss £(40,073,000)). The loss was mainly due to impairment charges related to the Company's investment in subsidiaries. The Company recognised an impairment charge of £8,914,000 during the period (2021: £41,212,000).

Ukraine conflict

The Company is a subsidiary of the Centrica group, and as such is impacted by the energy crisis and Ukraine conflict. The energy markets remain very volatile, but the Centrica group continues to maintain a hedging strategy aligned to the price cap to minimise the exposure to market prices. The Company does not own any businesses or operate in Russia or Ukraine and so has no direct impacts from those two countries. Furthermore, the Company has no investments in Russian entities or bonds. The Company is not expecting any direct material impacts but will keep monitoring the position.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Centrica plc group (the 'Group') and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are disclosed on pages 28-33 of the Group's Annual Report and Accounts 2022, which does not form part of this report.

Key performance indicators ('KPIs')

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are disclosed on pages 26-27 of the Group's Annual Report and Accounts 2022, which does not form part of this report. The results of the Company are disclosed in the Directors' Report on page 5.

Carbon emissions and energy usage

Carbon emissions and energy usage are not disclosed at a Company level due to exemptions detailed in Para 20A of Schedule 7 of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Carbon emissions and energy usage reporting for the Group is included in the 'People and Planet' section on pages 42-44 of Centrica plc's Annual Report and Accounts 2022. Specific metrics and targets are disclosed in the 'Task Force on Climate-related Financial Disclosures' section on pages 51 to 53 of the Group's Annual Report and Accounts 2022.

Future developments

In the future, it is expected that the Company will continue to act as a holding company and to provide management and support services to the Centrica Business Solutions business segment.

Centrica Business Solutions Management Limited

Strategic Report for the Year Ended 31 December 2022 (continued)

Approved by the Board on 26/09/2023 and signed on its behalf by:



Samantha Hood

By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 03275445

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD
United Kingdom

Centrica Business Solutions Management Limited

Directors' Report for the Year Ended 31 December 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors of the Company

The Directors of the Company, who were in office during the year and up to the date of signing the financial statements were as follows:

M Dennis

G C McKenna

A Z Longmuir (resigned 26 June 2023)

Results and dividends

The results of the Company are set out on page 13. The loss for the financial year ended 31 December 2022 is £12,813,000 (2021: loss £40,073,000).

The Company did not pay an interim dividend during the year (2021: £nil) and the Directors do not recommend the payment of a final dividend (2021: £nil).

Financial risk management policy

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed.

Exposure in terms of price risk, credit risk, liquidity risk and cash flow risk

Exposure to price risk, counterparty credit risk, liquidity risk and cash flow risk arises in the normal course of the Company's business. Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Liquidity risk is managed through funding arrangements with Group undertakings. Credit risk is managed through the Group continually reviewing its rating thresholds for relevant counterparty credit limits and updating these as necessary, based on a consistent set of principles. Price risks are managed through using a range of derivatives to hedge any exposures arising.

Future developments

Future developments are discussed in the Strategic Report on page 3.

Centrica Business Solutions Management Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

The Directors have updated their Group going concern assessment as at 30 June 2023. The going concern assessment has included stress-testing cash forecasts for different scenarios including reasonably possible increases/ decreases in commodity prices and evaluating risk scenarios for reasonably possible combinations of risks, the largest of which is the increased margin outflows in the trading and upstream businesses. Risks considered also include the impact of significant adverse weather events, increased bad debt charges due to the cost of living crisis, the risk of financial loss due to counterparty default and production falls in the Group's upstream business. The Group has established enhanced processes in the trading business and in respect of upstream to plan for and manage possible increases in margin cash requirements. The Group undrawn committed facilities as at 30 June 2023 were £3.8 billion in addition to Group unrestricted cash and cash equivalents of £5.9 billion. The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that there are no material uncertainties relating to going concern. As a result, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the year. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Events after the reporting period

On 26 April 2023 the Company acquired 100% of the shareholding in Centrica Business Solutions Deutschland GmbH from Centrica Business Solutions Belgium NV for £1. On 2 June 2023 the Company disposed of its shareholding in Centrica Business Solutions Belgium NV, with the disposal proceeds being £3,770,827.

Centrica Business Solutions Management Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Centrica Business Solutions Management Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved by the Board on 26/09/2023 and signed on its behalf by:



Samantha Hood

By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 03275445

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

United Kingdom

Centrica Business Solutions Management Limited

Independent Auditors' Report to the Members of Centrica Business Solutions Management Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Centrica Business Solutions Management Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We 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 Financial Reporting Council's (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.

Centrica Business Solutions Management Limited

Independent Auditors' Report to the Members of Centrica Business Solutions Management Limited (continued)

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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the documentation of the policies and procedures relating to fraud and compliance with laws and regulations that has been established by the Company's ultimate parent. We also enquired of management and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Centrica Business Solutions Management Limited

Independent Auditors' Report to the Members of Centrica Business Solutions Management Limited (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Centrica Business Solutions Management Limited

Independent Auditors' Report to the Members of Centrica Business Solutions Management Limited (continued)

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.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

Date: 26/9/23

Centrica Business Solutions Management Limited

Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	4	17,197	12,931
Operating costs	6	(19,977)	(14,683)
Exceptional items - impairment	8	(8,914)	(41,212)
Exceptional items - provision for credit loss on financial assets	8	-	(400)
Other income	5	165	-
Operating loss		(11,529)	(43,364)
Finance income	9	1,031	8,749
Finance costs	9	(2,534)	(5,472)
Net finance (cost)/income		(1,503)	3,277
Loss before taxation		(13,032)	(40,087)
Taxation on loss	12	219	14
Loss for the year from continuing operations		(12,813)	(40,073)

There were no recognised gains and losses in either period other than those shown above and accordingly no separate Statement of Comprehensive Income has been included in the Financial Statements.

Centrica Business Solutions Management Limited

Statement of Financial Position as at 31 December 2022

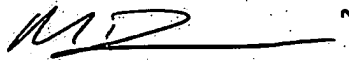
	Note	2022 £ 000	2021 £ 000
Non-current assets			
Property, plant and equipment	13	741	-
Intangible assets	14	4,666	-
Deferred tax assets	12	505	92
Investments	15	6,907	15,817
		<u>12,819</u>	<u>15,909</u>
Current assets			
Trade and other receivables	16	27,704	23,997
Cash and cash equivalents		-	4
		<u>27,704</u>	<u>24,001</u>
Total assets		<u>40,523</u>	<u>39,910</u>
Current liabilities			
Trade and other payables	17	(105,968)	(93,352)
Net current liabilities		<u>(78,264)</u>	<u>(69,351)</u>
Total assets less current liabilities		<u>(65,445)</u>	<u>(53,442)</u>
Non-current liabilities			
Trade and other payables	17	-	(263)
Provisions for other liabilities and charges	18	(155)	(60)
		<u>(155)</u>	<u>(323)</u>
Net liabilities		<u>(65,600)</u>	<u>(53,765)</u>
Equity			
Share capital	20	1	1
Retained earnings		(67,088)	(54,275)
Share-based payments reserve		1,487	509
Total equity		<u>(65,600)</u>	<u>(53,765)</u>

The notes on pages 17 to 35 form an integral part of these financial statements.

Centrica Business Solutions Management Limited

Statement of Financial Position as at 31 December 2022 (continued)

The financial statements on pages 13 to 35 were approved and authorised for issue by the Board of Directors on 26/09/2023 and signed on its behalf by:



.....
M Dennis
Director

Company number 03275445

Centrica Business Solutions Management Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Share based payments reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2022	1	509	(54,275)	(53,765)
Loss for the year	-	-	(12,813)	(12,813)
Total comprehensive expense	-	-	(12,813)	(12,813)
Deferred tax on share based payment transactions	-	194	-	194
Share incentive plan	-	14	-	14
Exercise of awards	-	(313)	-	(313)
Value of shares provided	-	1,083	-	1,083
At 31 December 2022	1	1,487	(67,088)	(65,600)

	Share capital £ 000	Share based payments reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2021	1	10	(14,202)	(14,191)
Loss for the year	-	-	(40,073)	(40,073)
Total comprehensive expense	-	-	(40,073)	(40,073)
Share incentive plan	-	1	-	1
Exercise of awards	-	(159)	-	(159)
Value of shares provided	-	657	-	657
At 31 December 2021	1	509	(54,275)	(53,765)

The notes on pages 17 to 35 form an integral part of these financial statements.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

Centrica Business Solutions Management Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and registered in England and Wales.

The address of its registered office and principal place of business is:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 4.

2 Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101'). In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards ('Adopted IFRSs'), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company financial statements are presented in pounds sterling which is the functional currency of the Company.

Changes in accounting policy

From 1 January 2022, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', costs of fulfilling a contract; and
- Amendments to IAS 16: 'Property, Plant and Equipment', sale proceeds before intended use; and
- Annual improvements to IFRS 2018-2020.

None of these changes or amendments had any material impact on the Company's financial statements.

Summary of disclosure exemptions

In these financial statements, as a qualifying entity the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with Adopted IFRSs;
- the effects of new but not yet effective IFRSs;
- prior year reconciliations for property, plant and equipment and intangible assets;
- the prior year reconciliations in the number of shares outstanding at the beginning and at the end of the year for share capital;
- disclosures in respect of related party transactions with wholly-owned subsidiaries in a group;

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

- disclosures in respect of the compensation of key management personnel; and
- disclosures in respect of capital management.

As the consolidated financial statements of the Centrica plc group (the 'Group'), which are available from its registered office, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- certain disclosures required by IAS 36 'Impairment of Assets' in respect of the impairment of goodwill and indefinite life intangible assets;
- certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures' have not been provided; and
- disclosures of the net cash flows attributable to the operating, investing and financing activities of discontinued operations.

Measurement convention

The financial statements have been prepared on the historical cost basis.

Going concern

The Directors have received confirmation that provided the Company remains part of the Group, Centrica plc will support the Company for at least one year after the financial statements were authorised for issue and that amounts owed to Group undertakings will not be required to be repaid for the foreseeable future unless sufficient financial resources and facilities are available to the Company.

The Directors have updated their Group going concern assessment as at 30 June 2023. The going concern assessment has included stress-testing cash forecasts for different scenarios including reasonably possible increases/ decreases in commodity prices and evaluating risk scenarios for reasonably possible combinations of risks, the largest of which is the increased margin outflows in the trading and upstream businesses. Risks considered also include the impact of significant adverse weather events, increased bad debt charges due to the cost of living crisis, the risk of financial loss due to counterparty default and production falls in the Group's upstream business. The Group has established enhanced processes in the trading business and in respect of upstream to plan for and manage possible increases in margin cash requirements. The Group undrawn committed facilities as at 30 June 2023 were £3.8 billion in addition to Group unrestricted cash and cash equivalents of £5.9 billion. The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that there are no material uncertainties relating to going concern. As a result, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

On the basis of the enquiries made, and the fact that Centrica plc, the ultimate parent company, has confirmed it will continue to support the Company, the Directors have concluded that the Company should be able to meet its liabilities as they fall due for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Revenue recognition

Revenue is comprised of recharges to other Group companies which recover the cost of providing managerial, operation and support services to those entities. Recharges are made on a periodic basis, recovering the costs incurred in that period. Revenue is recognised on an accruals basis.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Finance costs

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Where a specific financing arrangement is in place, the specific borrowing rate for that arrangement is applied. For non-specific financing arrangements, a borrowing rate representative of the weighted average borrowing rate is used. Financing costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed.

Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. To ensure the business performance reflects the underlying results of the Company, these exceptional items are disclosed separately in the income statement. Items which may be considered exceptional in nature include disposals of businesses, business restructurings, significant onerous contract charges and asset write-downs/impairments.

Foreign currencies

Transactions in foreign currencies are, on initial recognition, recorded in the functional currency of the Company at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the Company at the rates prevailing at the reporting date, and associated gains and losses are recognised in the Income Statement for the year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income' or 'finance costs'. All other foreign exchange gains and losses are presented in the Income Statement in the respective financial line item to which they relate.

Changes in the fair value of foreign currency denominated monetary securities classified as 'fair value through profit and loss' are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at historical cost in a currency other than the functional currency of the Company are translated using the exchange rate prevailing at the dates of the initial transaction and are not retranslated. Non-monetary items measured at fair value in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in equity. In this case, the tax is recognised in equity.

Deferred tax is recognised in respect of all temporary differences identified at the reporting date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised only to the extent that it is probable that the deductible temporary differences will reverse in the future and there is sufficient taxable profit available against which the temporary differences can be utilised.

The amount of deferred tax provided is based on the expected manner of realisation or settlement using tax rates that have been enacted or substantively enacted at the reporting date.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets include contractual customer relationships, brands, application software, emissions trading schemes, renewable obligation certificates, and certain exploration and evaluation expenditures, the accounting policies for which are dealt with separately below. For purchased application software, for example investments in customer relationship management and billing systems, cost includes contractors' charges, materials, directly attributable labour and directly attributable overheads.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over their useful lives and are tested for impairment annually, otherwise they are assessed for impairment whenever there is an indication that the intangible asset could be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for on a prospective basis by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Capitalisation begins when expenditure for the asset is being incurred and activities necessary to prepare the asset for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to prepare the asset for use are complete. Amortisation commences at the point of commercial deployment. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from their use.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the intangible asset could be impaired, either individually or at the Cash Generating Unit (CGU) level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Amortisation

Intangible assets subject to amortisation are provided so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Application software	Straight line, up to 10 years

Property, plant and equipment ('PP&E')

PP&E is included in the Statement of Financial Position at cost, less accumulated depreciation and any provisions for impairment. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Depreciation of PP&E

The depreciation periods for the principal categories of assets are as follows:

Asset class	Depreciation method and rate
Plant, equipment and vehicles	Straight line, over 3 years

The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and if necessary changes are accounted for prospectively.

Assets held as right-of-use assets are depreciated over their expected useful lives on the same basis as for owned assets, or where shorter, the lease term.

Investments in subsidiaries

Fixed asset investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

- Trade and other receivables

Trade receivables are initially recognised at fair value, which is usually the original invoice amount, and are subsequently held at amortised cost using the effective interest method less an allowance for expected credit losses.

- Trade and other payables

Trade payables are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method (although, in practice, the discount is often immaterial). If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

- Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Company's Income Statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

- Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Impairment of financial assets

In accordance with IFRS 9, the Company applies the expected credit loss model to financial assets measured at amortised cost and to investments in debt instruments measured at fair value through other comprehensive income.

For trade receivables and contract assets the simplified approach is taken and the lifetime expected credit loss provided for.

For all other in-scope financial assets at the balance sheet date either the lifetime expected credit loss or a 12-month expected credit loss is provided for, depending on the Company's assessment of whether the credit risk associated with the specific asset has increased significantly since initial recognition.

3 Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

In the Directors' opinion there are no critical judgements, apart from those involving estimations (which are dealt with separately below).

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Investments in subsidiaries, associates and joint ventures

The Company undertakes an annual review process of its investments in subsidiaries, associates and joint ventures as well as related receivables for indicators of impairment and tests for impairment where such an indicator arises.

For Centrica Business Solutions Belgium NV it was considered that net assets represents the recoverable value. This resulted in the recognition of an impairment of these investments. The total amount unrecoverable in respect of investments as at 31 December 2022 is £8,914,000 (2021: £41,212,000). The impairment test for CBS Solar Assets UK Limited was a Fair Value Less Costs to Sell calculation, using cash flow projections with a discount rate of 8%. The key operating assumptions are revenues, gross margin and operating costs.

For the current year, there were no indicators of impairment in investments in other subsidiaries. See note 15.

Useful lives of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investment and economic utilisation of the assets. See note 14 for the carrying amount of the intangible assets and note 2 on page 21 for the useful economic lives for each class of assets.

As indicated in note 2 the estimated useful lives of intangible assets can range up to 10 years. However, the actual useful lives might be shorter or longer depending on technological innovations and other factors. Based on the current useful lives, the carrying amount of intangible assets is expected to be £3,621,000 at the next reporting date (within 12 months). If the useful lives were two years shorter, the carrying amount would instead be £2,363,000 and if they were 2 years longer, the carrying amount would be £3,966,000.

4 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2022 £ 000	2021 £ 000
Provision of services to Group undertakings	17,197	12,931

All revenue arose from activities in the United Kingdom.

5 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2022 £ 000	2021 £ 000
Profit on disposal of investments in subsidiaries	165	-

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Analysis of costs by nature

	2022		2021	
	Operating costs £ 000	Total costs £ 000	Operating costs £ 000	Total costs £ 000
Employee costs	(11,520)	(11,520)	(8,917)	(8,917)
Depreciation	(1,017)	(1,017)	(6)	(6)
Computing/network costs	(3,740)	(3,740)	(1,943)	(1,943)
Recharges	(973)	(973)	(1,227)	(1,227)
Contractor and other staff related costs	(1,118)	(1,118)	(517)	(517)
Loss on disposal of PP&E	-	-	(15)	(15)
Advertising and marketing	(1,010)	(1,010)	(1,170)	(1,170)
Other operating costs	(599)	(599)	(888)	(888)
Total costs by nature	<u>(19,977)</u>	<u>(19,977)</u>	<u>(14,683)</u>	<u>(14,683)</u>

7 Employee costs

The aggregate employee costs (including Directors' remuneration) were as follows:

	2022 £ 000	2021 £ 000
Wages and salaries	(7,451)	(5,879)
Social security costs	(1,014)	(902)
Pension and other post-employment benefits	(1,518)	(1,111)
Share-based payment expenses	(1,240)	(725)
Other employee expense	<u>(297)</u>	<u>(300)</u>
	<u>(11,520)</u>	<u>(8,917)</u>

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

	2022 No.	2021 No.
Office and management	<u>118</u>	<u>95</u>

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Exceptional items

The following exceptional items were recognised in arriving at operating loss for the reporting year:

	2022 £ 000	2021 £ 000
Exceptional items - impairment ⁽ⁱ⁾	(8,914)	(41,212)
Exceptional items - provision for credit loss on financial assets ⁽ⁱⁱⁱ⁾	-	(400)
	<u>(8,914)</u>	<u>(41,612)</u>

⁽ⁱ⁾ The 2022 impairment charge relates to the Company's investments in subsidiaries (Centrica Business Solutions Belgium NV). The 2021 impairment charge relates to Centrica Business Solutions Belgium NV and Centrica Business Solutions Ireland Limited.

⁽ⁱⁱⁱ⁾ The Company made a provision for credit losses on financial assets of £nil (2021: £400,000). This provision relates to amounts owed by Group undertakings.

9 Net finance income/(cost)

Finance income

	2022 £ 000	2021 £ 000
Interest income from amounts owed by Group undertakings	1,031	2,727
Dividend income	-	6,022
Total finance income	<u>1,031</u>	<u>8,749</u>

Finance cost

	2022 £ 000	2021 £ 000
Interest on amounts owed to Group undertakings	(2,529)	(5,472)
Net foreign exchange losses on financing transactions	(5)	-
Total finance costs	<u>(2,534)</u>	<u>(5,472)</u>
Net finance income/(cost)	<u>(1,503)</u>	<u>3,277</u>

In 2021, the Company recognised dividend income of £6,022,000 from Celtic Array Limited upon dissolution of the subsidiary.

10 Directors' remuneration

The Directors were remunerated as employees of Centrica plc Group and did not receive any remuneration, from any source, for their services as Directors of the Company during the current or preceding financial year. Accordingly, no details in respect of their emoluments have therefore been included in these financial statements.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the Financial Statements provided to the Company.

	2022 £ 000	2021 £ 000
Audit fees	<u>(7)</u>	<u>(6)</u>

Auditors' remuneration relates to fees for the audit of the financial statements of the Company.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group Financial accounts of its ultimate parent, Centrica plc.

12 Income tax

Tax charged/(credited) in the Income Statement

	2022 £ 000	2021 £ 000
Current taxation		
Total current income tax	<u>-</u>	<u>-</u>
Deferred taxation		
Origination and reversal of temporary differences	(119)	8
Changes in tax rates	(37)	(22)
Adjustment in respect of prior period	<u>(63)</u>	<u>-</u>
Total deferred taxation	<u>(219)</u>	<u>(14)</u>

The UK rate of corporation tax for the year ended 31 December 2022 was 19% (2021: 19%). The rate of corporation tax has increased to 25% with effect from 1 April 2023. As at 31 December 2022 the deferred tax balances included in these Financial Statements are based on the enacted rate of corporation tax having regard to their reversal profiles.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12. Income tax (continued)

The differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before tax are reconciled below:

	2022 £ 000	2021 £ 000
Loss before tax	(13,032)	(40,087)
Tax on loss at standard UK corporation tax rate of 19% (2021: 19%)	(2,476)	(7,617)
Decrease in current tax from adjustment for prior periods	(63)	-
Decrease from effect of revenues exempt from taxation	(31)	(1,144)
Increase from effect of expenses not deductible in determining tax loss	1,923	8,048
Decrease from effect of exercise employee share options	(179)	-
Increase arising from group relief tax reconciliation	640	787
Increase / (decrease) from transfer pricing adjustments	4	(66)
Deferred tax credit relating to changes in tax rates or laws	(37)	(22)
Total tax credit	(219)	(14)

Deferred tax

The movements in respect of the deferred income tax assets and liabilities that occurred during the financial year are as follows:

	Accelerated tax depreciation £000	Temporary difference trading £000	Other items £000	Total £ 000
1 January 2022	92	-	-	92
(Charged)/credited to the Income Statement	(16)	(63)	235	156
Prior period adjustments	-	63	-	63
Credited to equity	-	-	194	194
31 December 2022	76	-	429	505

	Accelerated tax depreciation £000	Total £ 000
1 January 2021	78	78
Charged/(credited) to the Income Statement	14	14
31 December 2021	92	92

The deferred tax asset of £505,000 (2021: £92,000) is considered to be recoverable on the basis that when the temporary differences reverse they will either be recovered against future profits or through surrender to UK Group companies as group relief in return for payment for their tax value.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Property, plant and equipment

	Plant, equipment and vehicles £ 000	Total £ 000
Cost		
Additions	380	380
Transfers from fellow group undertaking	514	514
At 31 December 2022	894	894
Accumulated depreciation		
Charge for the year	(153)	(153)
At 31 December 2022	(153)	(153)
Net book value		
At 31 December 2022	741	741
At 31 December 2021	-	-

14 Intangible assets

	Internally generated software development costs £ 000	Total £ 000
Cost or valuation		
Additions	670	670
Transfers from fellow group undertaking	4,860	4,860
At 31 December 2022	5,530	5,530
Amortisation		
Amortisation	(864)	(864)
At 31 December 2022	(864)	(864)
Carrying amount		
At 31 December 2022	4,666	4,666
At 31 December 2021	-	-

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2022	184,617
Additions	954
Disposals	(1,682)
Return of capital	(950)
At 31 December 2022	182,939
Provision	
At 1 January 2022	(168,800)
Impairments provided in the year	(8,914)
Eliminated on disposals	1,682
At 31 December 2022	(176,032)
Net book value	
At 31 December 2022	6,907
At 31 December 2021	15,817

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Centrica Business Solutions International Limited*	Holding	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
Centrica (Lincs) Wind Farm Limited*	Holding	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Distributed Energy Customer Solutions Limited*	Energy management products and services	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
Distributed Energy Asset Solutions Limited (i)*	Dormant	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	0%	100%
Centrica Business Solutions Belgium NV (ii)*	Demand response aggregation	Posthofbrug 12 2600 Antwerp Belgium	Ordinary	99.98%	99.98%
Panoramic Power Limited*	Energy management products and services	15 Atir Yeda Street Kfar Saba 44643 Israel	Ordinary	100%	100%
Centrica Business Solutions Mexico S.A. DE C.V. (iii)*	Energy management products and services	Presidente Masaryk No. 61, Piso 7, México, D.F. CP 11570 Mexico	Class 1	0%	99.87%
Centrica Business Solutions Ireland Limited*	Energy management products and services	1 Warrington Place Dublin 2 Republic of Ireland	Ordinary	100%	100%
Celtic Array Limited (iv)*	Development of an offshore windfarm	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	0%	50%

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
Rhiannon Wind Farm Limited (v)	Dormant	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	0%	0%
Centrica Business Solutions France SASU (ii)	Demand response aggregation	60 Avenue Charles de Gaulle Cs 60016 92573 Neuilly sur Seine Cedex France	Ordinary	99.98%	99.98%
Centrica Business Solutions UK Optimisation Limited (ii)	Demand response aggregation	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	99.98%	99.98%
FES Energy Solutions Limited (vi)	Energy management products and services	1 Warrington Place Dublin 2 Ireland	Ordinary	0%	0%
Centrica Business Solutions Deutschland GmbH (ii)	Demand response aggregation	Neuer Wall 10 20354 Hamburg Germany	Ordinary	99.98%	99.98%
CBS Solar Assets UK Limited*	Solar asset investments	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
PRP Battery (Dyce) Limited (vii)*	Development of a 30MW battery	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom		100%	0%

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2022	2021
CBS Energy Assets Belgium BV (viii)*	Utility scale energy assets	Roderveldlaan 2 bus 2 2600 Antwerp Belgium Belgium	Ordinary	100%	0%

* indicates direct investment of the company

(i) Distributed Energy Asset Solutions Limited was dissolved on 19 April 2022.

(ii) On 26 April 2023, the Company acquired 100% of the shareholding in Centrica Business Solutions Deutschland GmbH from Centrica Business Solutions Belgium NV for £1. On 2 June 2023 the Company disposed of its shareholding in Centrica Business Solutions Belgium NV, with the disposal proceeds being £3,770,827. This also includes Centrica Business Solutions UK Optimisation Limited and Centrica Business Solutions France SASU, as subsidiaries of Centrica Business Solutions Belgium NV.

(iii) On 25 May 2022 the Company agreed to dispose of its shareholding in Centrica Business Solutions Mexico S.A. de C.V. On 5 August 2022, Centrica Business Solutions Mexico S.A. de C.V. settled a loan balance with its minority shareholder by the issuance of ordinary shares, thereby decreasing the Company's shareholding from 99.87% to 11.75%. The transaction completed on 26 August 2022 with the Company's share of the disposal proceeds being MXN3,885,801 (£165,458).

(iv) Celtic Array Limited was dissolved on 1 July 2022.

(v) Rhiannon Wind Farm Limited was dissolved on 6 July 2021.

(vi) FES Energy Solutions Limited was dissolved on 22 August 2022.

(vii) On 3 March 2022 the Company acquired 100% of the shares in PRP Battery (Dyce) Limited for £954,000. The acquired company contained a right to develop a 30MW battery in Aberdeen, Scotland. During 2022 the trade and assets of the acquired company were hived up into another group company, with a subsequent Return of Capital of £950,000. The directors plan for PRP Battery (Dyce) Ltd to undergo voluntary strike-off in 2023.

(viii) CBS Energy Assets Belgium BV was incorporated on 5 December 2022.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

16 Trade and other receivables

	2022 Current £ 000	2021 Current £ 000
Amounts owed by Group undertakings	27,249	23,903
Prepayments	7	-
VAT	304	-
Other receivables	144	94
	<u>27,704</u>	<u>23,997</u>

The amounts owed by Group undertakings are interest-free, unsecured and repayable on demand.

Amounts owed by Group undertakings include credit loss provisions of £400,000 (2021: £400,000).

17 Trade and other payables

	2022 Current £ 000	2021 Current £ 000	Non-current £ 000
Trade payables	(1,589)	(1,061)	-
Accrued expenses	(2,977)	(1,834)	-
Amounts owed to Group undertakings	(100,914)	(89,770)	-
Social security and other taxes	(353)	(195)	-
Other payables	(135)	(492)	(263)
	<u>(105,968)</u>	<u>(93,352)</u>	<u>(263)</u>

The amounts owed to Group undertakings have been presented on a net basis as there is a right of offset against certain amounts.

Included within the net amounts owed to Group undertakings disclosed above is a net payable of £97,634,000 (2021: £90,273,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 0.35% and 2.72% per annum during 2022 (2021: 3.61% and 4.23%). The net amount payable consists of a gross payable of £172,377,000 (2021: £163,552,000) and gross receivable of £74,743,000 (2021: £73,279,000).

The remaining amount owed to Group Undertakings is interest free. All amounts owed to Group undertakings are unsecured and repayable on demand.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18 Provisions for other liabilities and charges

	Employee benefits ⁽ⁱ⁾ £ 000	Total £ 000
At 1 January 2022	(60)	(60)
Charged to the Income Statement	(144)	(144)
Provisions used	49	49
At 31 December 2022	<u>(155)</u>	<u>(155)</u>
Non-current liabilities	<u>(155)</u>	<u>(155)</u>

⁽ⁱ⁾ Employee benefits provision consists of national insurance on the Company's share of Group share based payments.

19 Post-retirement benefits

(a) Defined benefit pension schemes

The Company's employees participate in a number of Group defined benefit pension schemes. Information on these schemes is provided in note 22 to the Group financial statements. The Company is unable to accurately identify its share of the overall pension scheme surplus or deficit and therefore accounts for the schemes as if they were a defined contribution scheme. Contributions payable of £507,000 (2021: £404,000) were recognised as an expense payable in the Income Statement.

(b) Defined contribution pension scheme

The total cost charged to Income Statement of £1,011,000 (2021: £707,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the scheme.

20 Capital and reserves

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,011</u>	<u>1,011</u>	<u>1,011</u>	<u>1,011</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Retained earnings

The balance classified as retained earnings includes the profits and losses realised by the Company in previous periods that were not distributed to the shareholder of the Company at the reporting date.

Centrica Business Solutions Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Parent and ultimate parent undertaking

The immediate parent undertaking is GB Gas Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking is Centrica plc, incorporated in the UK, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from www.centrica.com.

The registered address of Centrica plc is Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD.

22 Non adjusting events after the financial period

On 26 April 2023 the Company acquired 100% of the shareholding in Centrica Business Solutions Deutschland GmbH from Centrica Business Solutions Belgium NV for £1. On 2 June 2023 the Company disposed of its shareholding in Centrica Business Solutions Belgium NV, with the disposal proceeds being £3,770,827.