

Conrad (Cherwell) Limited

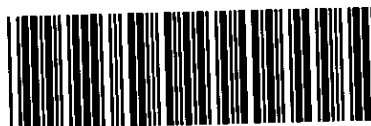
Annual Report and Financial Statements

Year Ended

31 March 2023

Company Number 12278725

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Conrad (Cherwell) Limited

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Conrad (Cherwell) Limited

Company Information

Directors	D P G Bates S N Hardman
Company secretary	M D New
Registered number	12278725
Registered office	Suites D&E Windrush Court Blacklands Way Abingdon United Kingdom OX14 1SY
Independent auditor	BDO LLP Two Snowhill Birmingham B4 6GA

Conrad (Cherwell) Limited

Group Strategic Report For the Year Ended 31 March 2023

The Directors present their Strategic Report for the year ended 31 March 2023.

Business review

Conrad (Cherwell) Limited is the parent company of a group of 20 operational sites with an operating portfolio of 214.1MW of flexible generation assets.

As at the date of signing, £76.3m of debt financing was payable on an £85m fully drawn facility entered into in December 2019. At that point, Conrad (Cherwell) Limited was incorporated as a borrower company, the immediate parent of the sites.

As a holding company the review of the business relates to the performance of its investments, a full review of the performance of the Company subsidiaries ("The Cherwell Group"), along with links to the wider Conrad Energy Group Limited group ("the Group") and is outlined below:

The Cherwell Group strategy remains to be agile with the ability to mimic the flexibility inherent in the asset portfolio across all markets. This flexibility, with fast run-up and run-down, short run capability allows a competitive offering in ancillary service and balancing markets. Continued engagement with the system operator in market design for new products allows for first mover advantage in new markets as we engage with stakeholders across the value chain working with distribution network operators, the UK electricity system operator, other utility/supply companies and the B2B sector.

The key strength of the wider business is embedded in the expertise and software that exists to operate, dispatch and trade the asset portfolio. This advantage enables the Group to extract value over and above the intrinsic value of the asset at delivery.

The Cherwell Group operating profit of £63.6m for the year ended 31 March 2023 (2022 - profit of £19.4m) has exceeded expectations. The wholesale commodity price for both UK gas and power reached unprecedented levels for winter 2022/2023 as macro-economic pressures from Ukraine and France introduced significant scarcity premia over supply concerns. Conrad was well placed to execute in these markets having built a portfolio designed to assist the UK energy market in times of increased system stress.

The Group thesis is that flexibility will become increasingly important through the energy transition. As the UK generation system increasingly sources power from green or renewable, but non-dispatchable, sources then this inherent flexibility in the Conrad fleet provides value in periods where scarcity of supply or low-renewable output appears. This comes with some inbuilt volatility in periods of high renewable output, but periods of reduced generation coupled with increased reliance on foreign interconnection to systems with similar renewable build out strategies and thus similar risks, will deliver periods of significant value as and when they occur.

The continuation of in-house O&M and trading development maintains the group position of being able to deliver maximum availability and therefore generation at minimal cost, combined with the ability to execute rapidly into new markets and maximise profits from existing revenue streams.

Conrad (Cherwell) Limited

Group Strategic Report (continued) For the Year Ended 31 March 2023

Principal risks and uncertainties

1) *Operating risks*

Wholesale power and gas prices – to achieve success in merchant market the power price must, at times, be higher than the cost of generation. This is outside the control of the Group. The Group believes that the fundamental underlying changes to the generation mix are sufficiently strong that prices will be regularly above the cost of generation. The Group has also mitigated this operating risk through continued investment in our intelligent dispatch platform to ensure the Group participates in the best balancing markets.

2) *Regulatory risk*

The Group manages this risk through the use of regulatory specialists and power market consultants. The Group is also actively engaged in industry forums and maintains strong relationships with regulatory bodies.

3) *Financial risk*

The Group's principal financial instruments comprise cash, cash equivalents and loans. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Group's operating activities.

The main risks associated with the Group's financial assets and liabilities are set out below:

Credit risks

The Group has external debtors, however, it undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Financial key performance indicators

The key performance indicators of the Group are as follows:

	2023 £000	2022 £000
Turnover	137,281	68,549
Gross profit	75,179	29,019
Profit for the financial year	45,667	13,897
EBITDA	69,594	23,507

Conrad (Cherwell) Limited

Group Strategic Report (continued) For the Year Ended 31 March 2023

Directors' statement of compliance with duty to promote the success of the Group

Section 172 of the Companies Act 2006 requires a director of a company to act in a way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole.

Section 172(1) requires that the Directors must have regard (amongst other matters) to the following:

- (a) the likely consequences of any decision in the long-term,
- (b) the interests of the Company's employees,
- (c) the need to foster the Company's business relationships with suppliers, customers and others,
- (d) the impact of the Company's operations on the community and the environment,
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the Company.

In discharging our duties we have had regard to the factors set out above. We acknowledge that not every decision we make will necessarily result in a positive outcome for all stakeholders but by aligning the Group's values along with its strategic priorities and having a process in place for decision making we aim to make sure our decisions are appropriately considered and documented.

Authority for day to day management of the Group is delegated to senior management who are responsible for setting, approving and overseeing execution of the business strategy. The Board regularly review matters related to (and not limited to) financial performance, operation performance, health and safety, environmental matters, governance, legal and regulatory matters and corporate and social responsibility. This is done through consideration of the Board reports which are submitted to the Board in advance of each bi-monthly Board meeting and presentations to the Board during these meetings.

Examples of how the Directors have had regard to these matters throughout the year are set out below:

Financial and operational performance

The Board regularly reviewed the financial and operational KPIs of the Company to consider its strategic direction and the long term viability of the Group, ensuring future liabilities could be met.

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



D P G Bates
Director

Date: 27 March 2024

Conrad (Cherwell) Limited

Directors' Report For the Year Ended 31 March 2023

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

Principal activity

The principal activity of the Group was that of power generation.

Results and dividends

The profit for the year, after taxation, amounted to £45,667,000 (2022 - £13,897,000).

No ordinary dividends were paid during the year (2022 - £Nil). A dividend of £28,853,000 was declared and paid in September 2023.

Directors

The Directors who served during the year and up to the date of signing this report were:

D P G Bates
S N Hardman
C N B Shears (resigned 31 October 2022)

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Conrad (Cherwell) Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Future developments

The future developments for the Group remain the optimal and efficient running of the power generating assets over their useful life.

Engagement with suppliers, customers and others

The Directors have included relevant sections in relation to engagement with suppliers, customers and others within the business review section of the Strategic Report.

Qualifying third party indemnity provisions

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Streamlined energy and carbon reporting (SECR)

The Group is considered to be exempt from the requirements to present the information required under SECR disclosures, due to all of its subsidiary undertakings not needing to report at an individual level on the grounds of size and the parent entity being a low energy consumer during the period.

Matters covered in the Strategic Report

The Directors have produced a Strategic Report for the year ended 31 March 2023.

In accordance with the Companies Act 2006 Section 414C(ii), the disclosure of principal risks and uncertainties has been included in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Subsequent events

On 8 September 2023, an ordinary dividend of £28,853,000 was declared and paid.

Conrad (Cherwell) Limited

Directors' Report (continued) For the Year Ended 31 March 2023

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



D P G Bates
Director

Date: 27 March 2024

Conrad (Cherwell) Limited

Independent Auditor's Report to the Members of Conrad (Cherwell) Limited

Opinion

In our opinion the financial statements:

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

We have audited the financial statements of Conrad (Cherwell) Limited ("the Parent Company") for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 Group or Parent 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.

Conrad (Cherwell) Limited

Independent Auditor's Report to the Members of Conrad (Cherwell) Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group Strategic Report, the Directors' Report and the Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Group Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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 Group and Parent 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 Group or Parent Company or to cease operations, or have no realistic alternative but to do so.

Conrad (Cherwell) Limited

Independent Auditor's Report to the Members of Conrad (Cherwell) Limited (continued)

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.

Extent to which the audit was 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be Companies Act 2006, Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice) and tax legislations.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be Energy Market regulations, Health and Safety, Employment Law and Bribery Act 2010.

Our procedures in respect of the above included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of non-compliances with laws and regulations;
- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax and other authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of accounting policies for non-compliance with relevant standards.

Conrad (Cherwell) Limited

Independent Auditor's Report to the Members of Conrad (Cherwell) Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area susceptible to fraud, particularly in relation to the posting of manual journals to revenue and the application of revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Assessing significant judgements made by management for bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

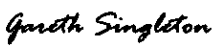
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Conrad (Cherwell) Limited

Independent Auditor's Report to the Members of Conrad (Cherwell) Limited (continued)

Use of our report

This report is made solely to the Group and Parent 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 Group and Parent 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 Group and Parent Company and the Group and Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Gareth Singleton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

Date: 27 March 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Conrad (Cherwell) Limited

Consolidated Statement of Comprehensive Income For the Year Ended 31 March 2023

	Note	2023 £000	2022 £000
Turnover	4	137,281	68,549
Cost of sales		(62,102)	(39,530)
Gross profit		75,179	29,019
Administrative expenses		(11,600)	(9,666)
Operating profit	5	63,579	19,353
Interest payable and similar expenses	8	(6,285)	(1,754)
Profit before tax		57,294	17,599
Tax on profit	9	(11,627)	(3,702)
Profit for the financial year		45,667	13,897
Profit for the year attributable to:			
Owners of the parent Company		45,667	13,897

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

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Registered number:12278725

Consolidated Statement of Financial Position As at 31 March 2023

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Intangible assets	10		6,504		6,853
Tangible assets	11		105,642		108,902
			<u>112,146</u>		<u>115,755</u>
Current assets					
Stocks	13	806		833	
Debtors: amounts falling due within one year	14	172,787		203,449	
Cash at bank and in hand	15	66,287		18,654	
		<u>239,880</u>		<u>222,936</u>	
Creditors: amounts falling due within one year	16	(227,810)		(259,497)	
Net current assets/(liabilities)			<u>12,070</u>		<u>(36,561)</u>
Total assets less current liabilities			<u>124,216</u>		<u>79,194</u>
Creditors: amounts falling due after more than one year	17		(67,508)		(73,067)
Provisions for liabilities					
Deferred tax	19		(5,881)		(967)
Net assets			<u><u>50,827</u></u>		<u><u>5,160</u></u>
Capital and reserves					
Merger reserve	21		(3,437)		(3,437)
Profit and loss account	21		54,264		8,597
			<u><u>50,827</u></u>		<u><u>5,160</u></u>

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



D P G Bates
Director

Date: 27 March 2024

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Registered number:12278725

**Company Statement of Financial Position
As at 31 March 2023**

	Note	2023 £000	2023 £000	2022 £000	2022 £000
Fixed assets					
Tangible assets	11		-		1,632
Investments	12		3,437		3,437
			<u>3,437</u>		<u>5,069</u>
Current assets					
Debtors: amounts falling due within one year	14	204,433		231,543	
Cash at bank and in hand	15	12,093		6,956	
		<u>216,526</u>		<u>238,499</u>	
Creditors: amounts falling due within one year	16	(152,639)		(170,083)	
Net current assets			<u>63,887</u>		<u>68,416</u>
Total assets less current liabilities			<u>67,324</u>		<u>73,485</u>
Creditors: amounts falling due after more than one year	17		(67,508)		(73,067)
Net (liabilities)/assets			<u>(184)</u>		<u>418</u>
Capital and reserves					
Profit and loss account	21		(184)		418
			<u>(184)</u>		<u>418</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the Parent Company for the year was £602,000 (2022 - profit of £1,333,000).

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


D P G Bates

Director

Date: 27 March 2024

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Consolidated Statement of Changes in Equity For the Year Ended 31 March 2023

	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2022	(3,437)	8,597	5,160
Comprehensive income for the year			
Profit for the year	-	45,667	45,667
Total comprehensive income for the year	-	45,667	45,667
At 31 March 2023	(3,437)	54,264	50,827

Consolidated Statement of Changes in Equity For the Year Ended 31 March 2022

	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2021	(3,437)	(5,300)	(8,737)
Comprehensive income for the year			
Profit for the year	-	13,897	13,897
Total comprehensive income for the year	-	13,897	13,897
At 31 March 2022	(3,437)	8,597	5,160

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Company Statement of Changes in Equity For the Year Ended 31 March 2023

	Profit and loss account	Total equity
	£000	£000
At 1 April 2022	418	418
Comprehensive loss for the year		
Loss for the year	(602)	(602)
	<u>(602)</u>	<u>(602)</u>
Total comprehensive loss for the year		
	<u>(602)</u>	<u>(602)</u>
At 31 March 2023	<u>(184)</u>	<u>(184)</u>

Company Statement of Changes in Equity For the Year Ended 31 March 2022

	Profit and loss account	Total equity
	£000	£000
At 1 April 2021	(914)	(914)
Comprehensive income for the year		
Profit for the year	1,332	1,332
	<u>1,332</u>	<u>1,332</u>
Total comprehensive income for the year		
	<u>1,332</u>	<u>1,332</u>
At 31 March 2022	<u>418</u>	<u>418</u>

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Consolidated Statement of Cash Flows For the Year Ended 31 March 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Profit for the financial year	45,667	13,897
Adjustments for:		
Amortisation of intangible assets	349	174
Depreciation of tangible assets	5,666	3,980
Loss on disposal of tangible assets	474	21
Interest payable	6,285	1,754
Taxation charge	11,627	3,702
Decrease/(increase) in stocks	27	(87)
(Increase) in debtors	(1,475)	(54,631)
Increase in creditors	4,981	48,945
Corporation tax (paid)/received	(361)	1
Net cash generated from operating activities	73,240	17,756
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(26)
Purchase of tangible fixed assets	(4,457)	(9,494)
Sale of tangible fixed assets	1,577	-
Net cash used in investing activities	(2,880)	(9,520)
Cash flows from financing activities		
New secured loans	-	16,681
Repayment of loans	(4,045)	-
Interest paid	(4,098)	(1,754)
Loans received/(repaid) from/to related entities	(14,584)	(7,306)
Net cash (used in)/from financing activities	(22,727)	7,621
Net increase in cash and cash equivalents	47,633	15,857
Cash and cash equivalents at beginning of year	18,654	2,797
Cash and cash equivalents at the end of year	66,287	18,654
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	66,287	18,654

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Consolidated Analysis of Net Debt For the Year Ended 31 March 2023

	At 1 April 2022 £000	Cash flows £000	Other non- cash changes £000	At 31 March 2023 £000
Cash at bank and in hand	18,654	47,633	-	66,287
Debt due after 1 year	(73,067)	4,045	1,514	(67,508)
Debt due within 1 year	(2,596)	-	(1,694)	(4,290)
Loans from related entities	(56,402)	14,584	-	(41,818)
	<u>(113,411)</u>	<u>66,262</u>	<u>(180)</u>	<u>(47,329)</u>

The notes on pages 20 to 37 form part of these financial statements.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

1. General information

Conrad (Cherwell) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Suites D&E Windrush Court, Blacklands Way, Abingdon, United Kingdom, OX14 1SY. The nature of the Company's operations and its principal activity are outlined in the Directors' Report.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The accounts have been prepared in the Company's functional currency, pounds sterling (£).

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS102:

- Only one reconciliation of the number of shares outstanding at the beginning and the end of the year has been presented as reconciliation for the Group and Parent Company would have been identical;
- No cash flow statement has been presented for the Parent Company; and
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Company is the parent company of a group of 20 operational sites (together the "Group"). In assessing whether the Company is a going concern the Directors of the Company have therefore considered the performance of the Group as a whole as well as the wider Group position and reviewed the latest board Group budget cash flow model which extends to 31 March 2025. The Directors of the Company are satisfied that the cashflow forecasts of the Group and the wider Group show sufficient cash resources to support the Group over the going concern assessment period.

The Group and Company's principal debt financing arrangement as at 31 March 2023 was a £80m debt facility with Close Leasing Limited, of which the full balance was drawn down in March 2023. The first repayments of this debt facility commenced in September 2020 with all amounts to be repaid in biannual instalments by the facility end date of 31 March 2027.

The forecasts indicate that the Group and the wider Group will continue to operate comfortably within the terms of its banking facilities and that the headroom provided by the Group's strong cash position and the debt facilities currently in place is adequate to support the Group over the going concern assessment period. The outstanding debt balance of the Company at the date of signing the financial statements is £76.3m.

During the year the Directors of the Company along with the wider Group board have considered the impact of wider economic issues such as political policy changes relating to energy companies and assessed the associated risks to the wider Group. Based on their experience to date, including the level of post year end trading compared to the budget model, and taking into account all relevant matters of which they are aware, the Directors of the Company do not consider the impact of these risks to affect the view that the Company is a going concern.

Based on this assessment the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for a period of not less than 12 months from the date of approval of the Company's financial statements for the year ended 31 March 2023. Accordingly, the financial statements have been prepared on a going concern basis.

2.4 Revenue

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

The following criteria must also be met before revenue is recognised:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The sale of energy is measured at the contractual value of metered units supplied during the year.

2.5 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.6 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.7 Intangible assets

The estimated useful lives range as follows:

Usage rights	-	The expected life of the project to which the rights relate or 20 years
CM contracts	-	The expected life of the project to which the rights relate or 20 years

Intangible assets are amortised from the date the assets underlying the rights are in operation. The estimated useful life of intangible assets is the lower of the life of the rights, the expected life of the project to which the rights relate or 20 years.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction are not depreciated. Once completed the asset will be transferred to engines, ancillary fittings and plant and depreciated inline with the rates below once the asset is in use.

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

Depreciation is provided on the following basis:

Engines, ancillary fittings and plant	- 20 years straight line
Assets under construction	- Not depreciated

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the Consolidated Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Consolidated Statement of Comprehensive Income.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 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.

2.13 Creditors

Short-term creditors are measured at the transaction price.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.14 Financial instruments

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

Financial instruments are recognised in the Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through the Consolidated Statement of Comprehensive Income, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

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

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

Key estimates and judgements are made in respect of useful life of plant and equipment.

4. Turnover

The entirety of turnover arose solely within the United Kingdom and is directly attributable to the Group's principal activity as outlined in the Directors' Report.

5. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Depreciation of tangible fixed assets	5,666	3,980
Amortisation of intangible fixed assets	349	174

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

6. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2023 £000	2022 £000
Fees payable to the Company's auditor and its subsidiaries for the audit of the consolidated and parent Company's financial statements	80	80

The Group has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

7. Employees

The Group has no employees other than the Directors, who did not receive any remuneration (2022 - £Nil) through this Group.

8. Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	6,135	1,408
Other interest payable	150	346
	<u>6,285</u>	<u>1,754</u>

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

9. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	9,613	2,825
Adjustments in respect of previous periods	(2,295)	-
Group taxation relief	(605)	(89)
Total current tax	6,713	2,736
Deferred tax		
Origination and reversal of timing differences	1,847	853
Adjustments in respect of prior periods	86	(50)
Effect of changes in tax rates	2,981	163
Total deferred tax	4,914	966
Taxation on profit	11,627	3,702

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	57,294	17,599
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	10,886	3,344
Effects of:		
Expenses not deductible for tax purposes	1	(137)
Group relief surrendered	94	601
Fixed asset differences	49	(8)
(Receipt) for group relief	(94)	(89)
Adjustments to tax charge in respect of prior periods	(2,806)	-
Adjustments to tax charge in respect of prior periods - deferred tax	2,981	(50)
Remeasurement of deferred tax for changes in tax rates	543	1,005
Movement in deferred tax not recognised	(56)	(241)
Other differences leading to an increase (decrease) in the tax charge	29	(723)
Total tax charge for the year	11,627	3,702

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

9. Taxation (continued)

Factors that may affect future tax charges

The corporation tax is calculated at 19% (2022 - 19%) of the estimated assessable profit for the year. The government announced on 3 March 2021 that the UK corporation tax rate will increase to 25% from 1 April 2023. This was substantively enacted on 24 May 2021.

10. Intangible assets

Group

	Usage rights £000	CM contracts £000	Total £000
Cost			
At 1 April 2022	4,933	2,335	7,268
At 31 March 2023	4,933	2,335	7,268
Amortisation			
At 1 April 2022	251	164	415
Charge for the year	232	117	349
At 31 March 2023	483	281	764
Net book value			
At 31 March 2023	4,450	2,054	6,504
At 31 March 2022	4,682	2,171	6,853

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

11. Tangible fixed assets

Group

	Engines and ancillary fittings and plant £000	Assets under construction £000	Total £000
Cost or valuation			
At 1 April 2022	108,499	6,935	115,434
Additions	1,690	2,767	4,457
Disposals	(419)	(1,632)	(2,051)
Transfers between classes	8,070	(8,070)	-
At 31 March 2023	<u>117,840</u>	<u>-</u>	<u>117,840</u>
Depreciation			
At 1 April 2022	6,532	-	6,532
Charge for the year	5,666	-	5,666
At 31 March 2023	<u>12,198</u>	<u>-</u>	<u>12,198</u>
Net book value			
At 31 March 2023	<u>105,642</u>	<u>-</u>	<u>105,642</u>
At 31 March 2022	<u>101,967</u>	<u>6,935</u>	<u>108,902</u>

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

11. Tangible fixed assets (continued)

Company

	Assets under construction £000
At 1 April 2022	1,632
Disposals	(1,632)
At 31 March 2023	-
Net book value	
At 31 March 2023	-
At 31 March 2022	1,632

12. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2022	3,437
At 31 March 2023	3,437

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Company number	Class of shares	Holding
Conrad (Ampthill) Limited	10969105	Ordinary	100%
Conrad (Arncott) Limited	11595908	Ordinary	100%
Conrad (Benfleet) Limited	10208257	Ordinary	100%
Conrad (Bilston) Limited	11601560	Ordinary	100%
Conrad (Caernarfon) Limited	10969635	Ordinary	100%
Conrad (Calne) Limited	10969552	Ordinary	100%
Conrad (Chatterley) Limited	10322690	Ordinary	100%
Conrad (Flint) Limited	10969724	Ordinary	100%
Conrad (Hawarden) Limited	10969100	Ordinary	100%
Conrad (Heybridge) Limited	10211413	Ordinary	100%
Conrad (Langage) Limited	10969369	Ordinary	100%
Conrad (Lower Dunton) Limited	12575155	Ordinary	100%
Conrad (Matching) Limited	10969076	Ordinary	100%
Conrad (Middleton Junction) Limited	10969392	Ordinary	100%
Conrad (Plymouth) Limited	10969085	Ordinary	100%
Conrad (Purfleet) Limited	10211293	Ordinary	100%
Conrad (Redscar) Limited	11596310	Ordinary	100%
Conrad (Sandycroft) Limited	10969652	Ordinary	100%
Conrad (Wrexham) Limited	10969619	Ordinary	100%

The registered office of all subsidiary undertakings is Suites D&E Windrush Court, Blacklands Way, Abingdon, United Kingdom, OX14 1SY.

The Group agrees to guarantee the liabilities of all subsidiary undertakings, thereby allowing them to take exemption from an audit under Section 479A of the Companies Act 2006.

The immediate parent undertaking transferred all the shares of all subsidiary undertakings listed above to Conrad (Cherwell) Limited. As a result, all the assets and liabilities of all subsidiary undertakings listed above have been acquired by Conrad (Cherwell) Limited. Following this group reorganization, the initial accounts for the year ended 31 March 2023 have been prepared on merger accounting basis as though this group structure had always been in place and a full set of results is presented from 1 April 2021.

Business combination is not relevant to these transactions as all entities were under common control with no change in the ultimate parent company, therefore the asset and liabilities were transferred at net book value.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

13. Stocks

	Group 2023 £000	Group 2022 £000
Consumables and engine parts	806	833

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade debtors	609	378	23	-
Amounts owed by group undertakings	161,094	200,403	204,410	230,898
Other debtors	512	1,161	-	-
Prepayments and accrued income	10,572	1,418	-	-
Tax recoverable	-	89	-	-
Deferred taxation	-	-	-	645
	172,787	203,449	204,433	231,543

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Cash and cash equivalents

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank and in hand	66,287	18,654	12,093	6,956

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

16. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Bank loans	4,290	2,596	4,290	2,596
Trade creditors	962	434	70	119
Amounts owed to group undertakings	206,151	249,526	148,276	167,363
Corporation tax	9,088	2,825	3	-
Other taxation and social security	5,400	2,686	-	-
Other creditors	5	5	-	-
Accruals and deferred income	1,914	1,425	-	5
	227,810	259,497	152,639	170,083

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

17. Creditors: Amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Bank loans	67,508	73,067	67,508	73,067

18. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Amounts falling due within one year				
Bank loans	4,290	2,596	4,290	2,596
Amounts falling due 1-2 years				
Bank loans	12,525	73,067	12,525	73,067
Amounts falling due 2-5 years				
Bank loans	54,983	-	54,983	-
	71,798	75,663	71,798	75,663

The bank loan is repayable by instalments on a 6 monthly basis within five years of the Statement of Financial Position date. Interest is charged on the facilities at variable rates of LIBOR + a margin of 3%.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

19. Deferred taxation

Group

	2023 £000
At beginning of year	(967)
Charged to profit or loss	(4,914)
At end of year	(5,881)

Company

	2023 £000
At beginning of year	645
Charged to profit or loss	(645)
At end of year	-

The provision for deferred taxation is made up as follows:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Fixed asset timing differences	(5,881)	(967)	-	645

20. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
20 Ordinary shares of £1 each	20	20

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

21. Reserves

Share capital

Share capital represents the nominal value of shares issued.

Merger Reserve

The merger reserve in the consolidated accounts represents the difference between the cost of investments and nominal value of shares issued in respect of prior acquisitions, where merger relief has been adopted in the Statement of Financial Position of the parent entity.

Profit and loss account

The profit and loss account represents the cumulative profits and losses retained by the Group.

22. Capital commitments

At 31 March 2023 the Group and Company had capital commitments as follows:

	Group 2023 £000	Group 2022 £000
Contracted for but not provided in these financial statements	162	3,000

23. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000
Not later than 1 year	836	796
Later than 1 year and not later than 5 years	3,354	3,182
Later than 5 years	15,284	15,752
	19,474	19,730

24. Other financial commitments

On 5 May 2021, the Company provided a fixed and floating charge in favour of Close Leasing Limited.

On 22 December 2022, the Company provided a fixed charge in favour of Close Leasing Limited.

Conrad (Cherwell) Limited

Notes to the Financial Statements For the Year Ended 31 March 2023

25. Related party transactions

The Group and Company were wholly owned subsidiaries of Conrad Energy Group Limited. The Group and Company have taken advantage of the exemption conferred by FRS 102 'Related party disclosures' not to disclose transactions with Conrad Energy Group Limited or other wholly owned subsidiaries within the wider Group.

26. Controlling party

The immediate parent undertaking at the date of signing these accounts is Conrad Energy (Holdings) Limited.

The ultimate parent undertaking is Conrad Energy Group Limited and is the parent undertaking of the largest group for which group accounts are prepared, of which the Company is a member. Copies of the accounts may be obtained from Companies House.

In the opinion of the Directors there is no single overall controlling party.