

Conrad (Dowlais) Limited

Annual Report and Unaudited

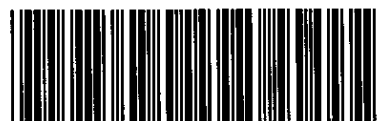
Financial Statements

Year Ended

31 March 2023

Company Number 12953413

THURSDAY



ACZV8FND

A06

28/03/2024

#48

COMPANIES HOUSE

Conrad (Dowlais) Limited

Contents

	Page
Company Information	
Strategic Report	1 - 2
Directors' Report	3 - 4
Accountants' Report	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 20

Company Information

Directors	D P G Bates S N Hardman
Company secretary	M D New
Registered number	12953413
Registered office	Suites D&E Windrush Court Blacklands Way Abingdon United Kingdom OX14 1SY
Accountants	BDO LLP Two Snowhill Birmingham B4 6GA

Conrad (Dowlais) Limited

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 (Dowlais) Limited is a company within a group of 15 operational sites totalling 302 MW acquired in October 2020 from Viridis Power initially via equity funding provided by its majority shareholder I Squared Capital.

In February 2022, £67m of debt financing was raised across these sites, and as a result Conrad (Thames) Limited was incorporated as the borrower and became the immediate parent company of the site SPVs including Conrad (Dowlais) Limited.

A full review of the performance of the Company, along with links to the wider Conrad Energy Group II Limited ("the Group") is outlined below:

The 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 Group 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, of which the Company is a beneficiary.

The wholesale commodity price for both UK gas and power reached unprecedented levels for winter '22/'23 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 (Dowlais) Limited

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 Company. The Company believes that the fundamental underlying changes to the generation mix are sufficiently strong that prices will be regularly above the cost of generation. The Company has also mitigated this operating risk through continued investment in our intelligent dispatch platform to ensure the Company participates in the best balancing markets.

2) Regulatory risk

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

3) Financial risk

The Company'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 Company's operating activities.

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

Credit risks

The Company 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 financial key performance indicators of the Company are as follows:

	Year Ended 31 March 2023 £	18 Month Period Ended 31 March 2022 £
Turnover	15,065,330	375,154
Gross profit	8,729,251	175,167
Profit for the financial year/18 month period	5,859,895	34,830
EBITDA	7,960,110	73,451

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



D P G Bates
Director

Date: 22 March 2024

Conrad (Dowlais) 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 Company is that of power generation.

Results and dividends

The profit for the year ended 31 March 2023, after taxation, amounted to £5,859,895 (18 month period ended 31 March 2022 - £34,830).

No ordinary dividends were paid during the year ended 31 March 2023 (18 month period ended 31 March 2022 - £Nil). The Directors do not recommend payment of a dividend.

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)

Future developments

The future developments for the Company remain the optimal, efficient running of the asset over its useful life.

Going concern

The financial statements have been prepared on a going concern basis. The Company participates in the centralised banking arrangements of Stardust Investor II Limited, its ultimate parent, and of its fellow subsidiaries (together the "Group"). In assessing whether the Company is a going concern the Directors of the Company have therefore considered 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 show sufficient cash resources to support the Group over the going concern assessment period.

The wider Group's principal debt financing arrangement as at 31 March 2023 was a £67m debt facility with Natwest bank, of which the full balance was drawn down in March 2023. The first repayments of this debt facility commenced in June 2022 with all amounts to be repaid in bi-annual instalments by the facility end date of 31 December 2028. In addition to this amount, the Group has a further debt facility of £85m with Close Leasing Limited in order to fund the development of the battery storage rollout, of which £11m was drawn down in March 2023. The first repayments of this debt facility commenced in March 2023 with all amounts to be repaid in bi-annual instalments by the facility end date of 31 March 2028. In addition to this amount, the Group had access to undrawn equity funding. The Group has fully drawn down on this equity funding after the balance sheet date in order to fund committed capital expenditure and growth of the business.

The forecasts indicate that the 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 at the date of signing the financial statements is £63.8m.

Conrad (Dowlais) Limited

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

Going concern (continued)

During the period 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 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.

Exemption from audit by parent guarantee

The immediate parent company, Conrad (Thames) Limited, has agreed to guarantee the liabilities of the Company thereby allowing it to take exemption from audit under section 479A of the Companies Act 2006.

Subsequent events

There have been no significant events affecting the Company since the year end.

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



D P G Bates
Director

Date: 22 March 2024

Conrad (Dowlais) Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Conrad (Dowlais) Limited for the Year Ended 31 March 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Conrad (Dowlais) Limited for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

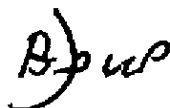
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Conrad (Dowlais) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Conrad (Dowlais) Limited. You consider that Conrad (Dowlais) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Conrad (Dowlais) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Use of our report

This report is made solely to the board of Directors of Conrad (Dowlais) Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Conrad (Dowlais) Limited and state those matters that we have agreed to state to the board of Directors of Conrad (Dowlais) Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Conrad (Dowlais) Limited and its board of Directors as a body for our work or for this report.



BDO LLP
Birmingham
United Kingdom

Date: 22 March 2024

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

Conrad (Dowlais) Limited

Statement of Comprehensive Income For the Year Ended 31 March 2023

		Year Ended 31 March 2023 £	18 Month Period Ended 31 March 2022 £
Turnover	4	15,065,330	375,154
Cost of sales		(6,336,079)	(199,987)
Gross profit		8,729,251	175,167
Administrative expenses		(1,110,257)	(146,219)
Operating profit		7,618,994	28,948
Tax on profit	6	(1,759,099)	5,882
Profit for the financial year/18 month period		5,859,895	34,830

There was no other comprehensive income for the year ended 31 March 2023 (18 month period ended 31 March 2022 - £Nil).

The notes on pages 9 to 20 form part of these financial statements.

Conrad (Dowlais) Limited
Registered number:12953413

Statement of Financial Position
As at 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	7		6,436,700		6,777,816
Current assets					
Stocks	8	124,405		69,459	
Debtors: amounts falling due within one year	9	11,129,975		1,054,020	
Cash at bank and in hand		197,791		-	
		<u>11,452,171</u>		<u>1,123,479</u>	
Creditors: amounts falling due within one year	10	(11,589,361)		(7,589,460)	
Net current liabilities			<u>(137,190)</u>		<u>(6,465,981)</u>
Total assets less current liabilities			<u>6,299,510</u>		<u>311,835</u>
Provisions for liabilities					
Deferred tax	11		(404,784)		(277,004)
Net assets			<u><u>5,894,726</u></u>		<u><u>34,831</u></u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			5,894,725		34,830
			<u><u>5,894,726</u></u>		<u><u>34,831</u></u>

The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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: 22 March 2024

The notes on pages 9 to 20 form part of these financial statements.

Conrad (Dowlais) Limited

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	1	34,830	34,831
Comprehensive income for the year			
Profit for the year	-	5,859,895	5,859,895
Total comprehensive income for the year	-	5,859,895	5,859,895
At 31 March 2023	1	5,894,725	5,894,726

Statement of Changes in Equity For the 18 month Period Ended 31 March 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the 18 month period			
Profit for the 18 month period	-	34,830	34,830
Total comprehensive income for the 18 month period	-	34,830	34,830
Contributions by and distributions to owners			
Shares issued during the 18 month period	1	-	1
Total transactions with owners	1	-	1
At 31 March 2022	1	34,830	34,831

The notes on pages 9 to 20 form part of these financial statements.

Conrad (Dowlais) Limited

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

1. General information

Conrad (Dowlais) 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Conrad (Thames) Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

Conrad (Dowlais) 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 participates in the centralised banking arrangements of Stardust Investor II Limited, its ultimate parent, and of its fellow subsidiaries (together the "Group"). In assessing whether the Company is a going concern the Directors of the Company have therefore considered 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 show sufficient cash resources to support the Group over the going concern assessment period.

The wider Group's principal debt financing arrangement as at 31 March 2023 was a £67m debt facility with Natwest bank, of which the full balance was drawn down in March 2023. The first repayments of this debt facility commenced in June 2022 with all amounts to be repaid in bi-annual instalments by the facility end date of 31 December 2028. In addition to this amount, the Group has a further debt facility of £85m with Close Leasing Limited in order to fund the development of the battery storage rollout, of which £11m was drawn down in March 2023. The first repayments of this debt facility commenced in March 2023 with all amounts to be repaid in bi-annual instalments by the facility end date of 31 March 2028. In addition to this amount, the Group had access to undrawn equity funding. The Group has fully drawn down on this equity funding after the balance sheet date in order to fund committed capital expenditure and growth of the business.

The forecasts indicate that the 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 at the date of signing the financial statements is £63.8m.

During the period 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 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 Company 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

Conrad (Dowlais) Limited

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

2. Accounting policies (continued)

2.5 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.

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:

Completed sites	- 20 years straight line
-----------------	--------------------------

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 Statement of Comprehensive Income.

2.6 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 Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

2.7 Debtors

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

2.8 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.

2.9 Creditors

Short-term creditors are measured at the transaction price.

Conrad (Dowlais) Limited

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

2. Accounting policies (continued)

2.10 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 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 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 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 (Dowlais) Limited

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

2. Accounting policies (continued)

2.10 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.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 (Dowlais) Limited

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

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the 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 Company's principal activities, as outlined in the Directors' Report.

5. Employees

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

Conrad (Dowlais) Limited

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

6. Taxation

	Year Ended 31 March 2023 £	18 Month Period Ended 31 March 2022 £
Corporation tax		
Current tax on profits for the year	1,354,807	-
Adjustments in respect of previous periods	276,512	-
	<u>1,631,319</u>	<u>-</u>
Group taxation relief	-	(282,886)
Total current tax	<u>1,631,319</u>	<u>(282,886)</u>
Deferred tax		
Origination and reversal of timing differences	138,759	277,004
Adjustments in respect of prior periods	(10,979)	-
Total deferred tax	<u>127,780</u>	<u>277,004</u>
Tax on profit	<u>1,759,099</u>	<u>(5,882)</u>

Conrad (Dowlais) Limited

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

6. Taxation (continued)

Factors affecting tax charge for the year/18 month period

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

	Year Ended 31 March 2023 £	18 Month Period Ended 31 March 2022 £
Profit on ordinary activities before tax	7,618,994	28,948
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,447,609	5,500
Effects of:		
Fixed asset differences	7,919	11,901
Expenses not deductible for tax purposes	4,736	-
Group relief surrendered/(claimed)	-	345,971
Payment/(receipt) for group relief	-	(345,971)
Adjustments to tax charge in respect of previous periods	276,512	(89,764)
Adjustments to tax charge in respect of previous periods - deferred tax	(10,979)	-
Remeasurement of deferred tax for changes in tax rates	33,302	66,481
Total tax charge for the year/ 18 month period	1,759,099	(5,882)

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.

Conrad (Dowlais) Limited

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

7. Tangible fixed assets

	Completed sites £
Cost or valuation	
At 1 April 2022	6,822,319
At 31 March 2023	<u>6,822,319</u>
Depreciation	
At 1 April 2022	44,503
Charge for the year	341,116
At 31 March 2023	<u>385,619</u>
Net book value	
At 31 March 2023	<u><u>6,436,700</u></u>
At 31 March 2022	<u><u>6,777,816</u></u>

8. Stocks

	2023 £	2022 £
Consumables and engine parts	<u><u>124,405</u></u>	<u><u>69,459</u></u>

Conrad (Dowlais) Limited

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

9. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	1,354,241	960,539
Amounts owed by related parties	7,344,258	-
Other debtors	1	77,116
Prepayments and accrued income	2,431,475	16,365
	<u>11,129,975</u>	<u>1,054,020</u>

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

10. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	56,367	-
Amounts owed to group undertakings	4,873,540	7,269,492
Amounts owed to related parties	4,105,316	254,670
Corporation tax	1,075,910	-
Other taxation and social security	838,095	-
Accruals and deferred income	640,133	65,298
	<u>11,589,361</u>	<u>7,589,460</u>

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

11. Deferred taxation

	2023 £
At beginning of year	(277,004)
Charged to profit or loss	(127,780)
At end of year	<u>(404,784)</u>

Conrad (Dowlais) Limited

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

11. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	<u>(404,784)</u>	<u>(277,004)</u>

12. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

13. Commitments under operating leases

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

	2023 £	2022 £
Not later than 1 year	34,000	34,000
Later than 1 year and not later than 5 years	136,000	136,000
Later than 5 years	476,000	448,334
	<u>646,000</u>	<u>618,334</u>

14. Other financial commitments

Natwest Bank have a fixed and floating charge over the Company's completed sites in respects of amounts due to the bank from the parent company, at 31 March 2023, this amounted to £53,842,869 (2022 - £64,074,149).

Conrad (Dowlais) Limited

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

15. Related party transactions

The Company is a wholly owned subsidiary of Stardust Investor II Limited. The Company has taken advantage of the exemption conferred by FRS 102 'Related party disclosures' not to disclose transactions with Stardust Investor II Limited or other wholly owned subsidiaries within the Group.

Through common directorships, the below are considered related parties:

	Sales 2023 £	Purchases 2023 £	Receivable at 31 March 2023 £	Payable at 31 March 2023 £
Conrad Energy Limited	-	549,382	-	(476,246)
Conrad Energy (Trading) Limited	(8,400,622)	5,840,070	7,344,258	(3,605,471)
Conrad Energy (Holdings) Limited	-	-	-	(23,599)
	<u>(8,400,622)</u>	<u>6,389,452</u>	<u>7,344,258</u>	<u>(4,105,316)</u>

	Sales 2022 £	Purchases 2022 £	Payable at 31 March 2022 £
Conrad Energy Limited	-	295,308	(254,670)
Conrad Energy (Trading) Limited	(231,828)	279,188	-
	<u>(231,828)</u>	<u>574,496</u>	<u>(254,670)</u>

16. Controlling party

The immediate parent is Conrad (Thames) Limited, and is the parent undertaking of the smallest group for which group accounts are prepared, of which the Company is a member. Copies of the accounts may be obtained from Companies House.

The ultimate parent undertaking is Stardust Investor II 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.