

Registration number: 03275445

# Centrica Business Solutions Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



## **Centrica Business Solutions Management Limited**

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## **Centrica Business Solutions Management Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The Directors present their Strategic Report for Centrica Business Solutions Management Limited (the 'Company') for the year ended 31 December 2021.

#### **Principal activity**

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

#### **Company strategy**

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

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

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

#### **Section 172(1) Statement**

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

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

#### **General confirmation of Directors' duties**

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

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

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

## **Centrica Business Solutions Management Limited**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

*(b) The interests of the Company's employees:* The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

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

*(d) The impact of the Company's operations on the community and the environment:* Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

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

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

#### **Culture**

The Company's culture is set by the Group and embedded in all we do. Further information on the Group's culture can be found on pages 26 to 36 of Centrica plc's Annual Report and Accounts 2021.

#### **Stakeholder Engagement**

As is normal for large companies, the Directors delegate authority for day to day management of the Company to executives engaged in setting, approving and overseeing execution of the business strategy and related policies of the Group. While there may be cases where the Directors judge that the Company should engage directly with certain stakeholder groups or on specific issues, the size and spread of both our stakeholders and the Group means that generally, stakeholder engagement best takes place at an operational or Group level. The Directors consider that as well as being a more efficient and effective approach, this also helps achieve a greater positive impact on environmental, social and other issues than working alone as an individual company. A description of how the Group engages with its stakeholders is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

## **Centrica Business Solutions Management Limited**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

#### **Review of the business**

The financial position of the Company is presented in the Statement of Financial Position on page 13. Total equity as at 31 December 2021 was £(53,765,000) (2020: £(14,191,000)). The loss for the financial year ended 31 December 2021 was £(40,073,000) (2020: loss £(81,995,000)). The loss was mainly due to impairment charges related to the Company's investment in subsidiaries. The Company recognised an impairment charge of £41,212,000 during the period (2020: £73,904,000).

#### **Ukraine conflict**

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

#### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Centrica plc group (the 'Group') and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are disclosed on pages 38-43 of the Group's Annual Report and Accounts 2021, which does not form part of this report.

#### **Key performance indicators ('KPIs')**

The Directors of the Group use a number of KPIs to monitor progress against the Group's strategy. The development, performance and position of the Group, which includes the Company, are disclosed on pages 14-15 of the Group's Annual Report and Accounts 2021, which does not form part of this report. The results of the Company are disclosed in the Directors' Report on page 4.

#### **Future developments**

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

Approved by the Board on 29/09/2022 and signed on its behalf by:



Samantha Hood

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

Company registered in England and Wales, No. 03275445

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

## **Centrica Business Solutions Management Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

#### **Directors of the Company**

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

M Dennis

G C McKenna (appointed 8 March 2021)

A Z Longmuir (appointed 1 October 2021)

J P Pikunic (resigned 8 March 2021)

#### **Results and dividends**

The results of the Company are set out on page 12. The loss for the financial year ended 31 December 2021 is £40,073,000 (2020: loss £81,995,000).

Dividends of £nil were paid for the year ended 31 December 2021 (2020: £nil). The Directors do not recommend the payment of a final dividend in respect of the financial year ended 31 December 2021 (2020: £nil).

#### **Financial risk management policy**

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

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

Exposure to counterparty credit risk, liquidity risk and cash flow risk arises in the normal course of the Company's business. Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Liquidity risk is managed through funding arrangements with Group undertakings.

#### **Future developments**

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

## **Centrica Business Solutions Management Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Going concern**

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

In the context of the continuing economic uncertainty caused by commodity price volatility and energy market uncertainty, the Directors have updated their Group going concern assessment as at 30 June 2022 to factor in the Group's updated principal risks, strategy and forecasts, together with modelling further downside sensitivities. The going concern assessment has considered the financial impact on the Group's credit and liquidity headroom of certain stress events impacting the Group's key risks over a 12-18 month horizon. The Group's forecasts show that the Group will maintain sufficient headroom, underpinned by unrestricted cash and cash equivalents, net of bank overdrafts, of c.£3.4 billion as at 30 June 2022, and c.£2.9 billion of undrawn committed facilities, which remain committed until at least 2024.

The Centrica Group interim results were released on 28th July 2022. These demonstrated a resilient financial performance despite a difficult energy supply situation, increases in wholesale gas price, and the ongoing challenges caused by the pandemic. The Group's balance sheet continues to be much stronger than 2020, with a positive cash position of £0.3 billion compared to 2020 when the Group had net debt of £3.0 billion and an overall adjusted operating profit of £1,342m at half year.

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

#### **Directors' and officers' liability**

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

#### **Events after the reporting period**

On 3 March 2022 the Company acquired 100% of the shares in PRP Battery (Dyce) Limited for £950,000. The acquired company contains a right to develop a 30MW battery in Aberdeen, Scotland.

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

## **Centrica Business Solutions Management Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Disclosure of information to auditors**

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



## **Centrica Business Solutions Management Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Auditors**

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

Approved by the Board on 29/09/2022 and signed on its behalf by:



Samantha Hood

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

Company registered in England and Wales, No. 03275445

Registered office:

Millstream

Maidenhead Road

Windsor

Berkshire

SL4 5GD

United Kingdom

## **Centrica Business Solutions Management Limited**

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

#### **Report on the audit of the financial statements**

##### **Opinion**

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 20.

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

##### **Basis for opinion**

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

##### **Other information**

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

## **Centrica Business Solutions Management Limited**

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

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

We have nothing to report in this regard.

#### **Responsibilities of Directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

## **Centrica Business Solutions Management Limited**

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

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

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

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

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

## **Centrica Business Solutions Management Limited**

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

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Winstone.....

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

Date: 27/1/22.....

# Centrica Business Solutions Management Limited

## Income Statement for the Year Ended 31 December 2021

		(As restated)	
	Note	2021 £ 000	2020 £ 000
Revenue	4	12,931	4,492
Operating costs	5	(14,683)	(10,997)
Exceptional items - restructuring costs	7	-	(40)
Exceptional items - impairment	7	(41,212)	(73,904)
Exceptional items - provision for credit loss on financial assets	7	(400)	-
Operating loss		(43,364)	(80,449)
Finance income	8	8,749	3,167
Finance costs	8	(5,472)	(4,710)
Net finance income/(cost)		3,277	(1,543)
Loss before taxation		(40,087)	(81,992)
Taxation on loss	11	14	(3)
Loss for the year from continuing operations		(40,073)	(81,995)

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

The restatement in 2020 serves firstly to separately disclose recharge revenue which have been previously netted off against recharge expenses in Operating costs, and secondly to provide a more appropriate level of detail in note 5 by combining insignificant amounts in one line with Other operating costs. It has a net zero impact on Operating loss.

# Centrica Business Solutions Management Limited

## Statement of Financial Position as at 31 December 2021

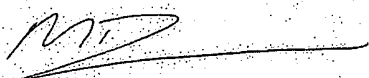
			(As restated)
	Note	2021 £ 000	2020 £ 000
<b>Non-current assets</b>			
Property, plant and equipment	12	-	21
Deferred tax assets	11	92	78
Investments	13	15,817	45,245
		<u>15,909</u>	<u>45,344</u>
<b>Current assets</b>			
Trade and other receivables	14	23,997	9,272
Cash and cash equivalents		4	-
		<u>24,001</u>	<u>9,272</u>
<b>Total assets</b>		<u>39,910</u>	<u>54,616</u>
<b>Current liabilities</b>			
Trade and other payables	15	(93,352)	(68,797)
<b>Net current liabilities</b>		<u>(69,351)</u>	<u>(59,525)</u>
<b>Total assets less current liabilities</b>		(53,442)	(14,181)
<b>Non-current liabilities</b>			
Trade and other payables	15	(263)	-
Provisions for other liabilities and charges	16	(60)	(10)
		<u>(323)</u>	<u>(10)</u>
<b>Net liabilities</b>		<u>(53,765)</u>	<u>(14,191)</u>
<b>Equity</b>			
Share capital	18	1	1
Retained earnings		(54,275)	(14,202)
Share-based payments reserve		509	10
<b>Total equity</b>		<u>(53,765)</u>	<u>(14,191)</u>

The notes on pages 16 to 32 form an integral part of these financial statements.

**Centrica Business Solutions Management Limited**

**Statement of Financial Position as at 31 December 2021 (continued)**

The financial statements on pages 12 to 32 were approved and authorised for issue by the Board of Directors on  
29/09/2022 and signed on its behalf by:



.....  
M Dennis  
Director

Company number 03275445



# Centrica Business Solutions Management Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

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

	Share capital £ 000	Share based payments reserve £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2020	1	-	67,793	67,794
Loss for the year	-	-	(81,995)	(81,995)
Total comprehensive expense	-	-	(81,995)	(81,995)
Share incentive plan	-	10	-	10
At 31 December 2020	<u>1</u>	<u>10</u>	<u>(14,202)</u>	<u>(14,191)</u>

The notes on pages 16 to 32 form an integral part of these financial statements.

## **Centrica Business Solutions Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

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

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

Millstream  
Maidenhead Road  
Windsor  
Berkshire  
SL4 5GD

The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 1 to 3.

#### **2 Accounting policies**

##### **Basis of preparation**

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

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

##### **Changes in accounting policy**

From 1 January 2021, the following standards and amendments are effective in the Company's Financial Statements:

- Amendments to IFRS 17 and IFRS 4: 'Insurance Contracts' - deferral of IFRS 9; and
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2.

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

##### **Summary of disclosure exemptions**

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

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

## **Centrica Business Solutions Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

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

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

#### **Measurement convention**

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

#### **Going concern**

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

In the context of the continuing economic uncertainty caused by commodity price volatility and energy market uncertainty, the Directors have updated their Group going concern assessment as at 30 June 2022 to factor in the Group's updated principal risks, strategy and forecasts, together with modelling further downside sensitivities. The going concern assessment has considered the financial impact on the Group's credit and liquidity headroom of certain stress events impacting the Group's key risks over a 12-18 month horizon. The Group's forecasts show that the Group will maintain sufficient headroom, underpinned by unrestricted cash and cash equivalents, net of bank overdrafts, of c.£3.4 billion as at 30 June 2022, and c.£2.9 billion of undrawn committed facilities, which remain committed until at least 2024.

The Centrica Group interim results were released on 28th July 2022. These demonstrated a resilient financial performance despite a difficult energy supply situation, increases in wholesale gas price, and the ongoing challenges caused by the pandemic. The Group's balance sheet continues to be much stronger than 2020, with a positive cash position of £0.3 billion compared to 2020 when the Group had net debt of £3.0 billion and an overall adjusted operating profit of £1,342m at half year.

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

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Revenue recognition**

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

#### **Dividend income**

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

## **Centrica Business Solutions Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Finance income**

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

##### **Exceptional items**

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

##### **Finance costs**

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

##### **Foreign currencies**

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

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

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

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

## **Centrica Business Solutions Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Taxation**

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

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

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

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

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

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

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

##### **Depreciation of PPE**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant, equipment and vehicles	Straight line, over 6 years

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

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

##### **Investments in subsidiaries**

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

## **Centrica Business Solutions Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial assets and liabilities**

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

##### **- Trade and other receivables**

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

##### **- Trade and other payables**

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

##### **- Share capital**

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

##### **- Cash and cash equivalents**

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

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Critical accounting judgements and key sources of estimation uncertainty

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

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

#### Critical judgements in applying the Company's accounting policies

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

#### Key sources of estimation uncertainty

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

#### Investments in subsidiaries, associates and joint ventures

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

The year-end impairment test was a Fair Value Less Costs to Sell calculation, using cash flow projections based on Board-approved business plans for five years, with a terminal value calculated from the fifth year. Cash flows are discounted using a discount rate that reflects the current market assessments of the time value of money and are based on the estimated cost of capital of the investment. Long-term growth rates and post-tax discount rates used in these calculations ranged from 1.5% to 3.0% and 6.5% to 9.0% respectively.

The impairment review process resulted in the recognition of an impairment of these investments. The total amount unrecoverable in respect of investments as at 31 December 2021 is £41,212,000 (2020: £73,904,000). See note 13.

#### 4 Revenue

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

	2021	(As restated) 2020
	£ 000	£ 000
Provision of services to Group undertakings	12,931	4,492

All revenue arose from activities in the United Kingdom.

The restatement in 2020 serves to separately disclose recharge revenue which have been previously netted off against recharge expenses in Operating costs. It has a net zero impact on Operating loss.

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 5 Analysis of costs by nature

	2021		2020	
	Operating costs	Total costs	(As restated) Operating costs	(As restated) Total costs
	£ 000	£ 000	£ 000	£ 000
Employee costs	(8,917)	(8,917)	(1,265)	(1,265)
Depreciation	(6)	(6)	(7)	(7)
Computing/network costs	(1,943)	(1,943)	(79)	(79)
Recharges	(372)	(372)	(8,181)	(8,181)
Recharges - employee costs	(855)	(855)	(881)	(881)
Loss on disposal of PP&E	(15)	(15)	-	-
Other operating costs	(672)	(672)	(152)	(152)
Contractor, consultancy and other professional services	(733)	(733)	(271)	(271)
Advertising and marketing	(1,170)	(1,170)	(161)	(161)
Total costs by nature	<u>(14,683)</u>	<u>(14,683)</u>	<u>(10,997)</u>	<u>(10,997)</u>

The restatement in 2020 serves firstly to separately disclose recharge revenue which have been previously netted off against recharge expenses in Operating costs, and secondly to provide a more appropriate level of detail in note 5 by combining insignificant amounts in one line with Other operating costs. It has a net zero impact on Operating loss.

#### 6 Employee costs

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

	2021	2020
	£ 000	£ 000
Wages and salaries	(5,879)	(898)
Social security costs	(902)	(127)
Pension and other post-employment benefits	(1,111)	(151)
Share-based payment expenses	(725)	-
Other employee expense	(300)	(89)
	<u>(8,917)</u>	<u>(1,265)</u>

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

	2021	2020
	No.	No.
Office and management	<u>95</u>	<u>19</u>



## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 7 Exceptional items

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

	2021 £ 000	2020 £ 000
Exceptional items - restructuring costs <sup>(i)</sup>	-	(40)
Exceptional items - impairment <sup>(ii)</sup>	(41,212)	(73,904)
Exceptional items - provision for credit loss on financial assets <sup>(iii)</sup>	(400)	-
	<u>(41,612)</u>	<u>(73,944)</u>

<sup>(i)</sup> The restructuring costs relates to employee costs associated with cost reduction programmes.

<sup>(ii)</sup> The impairment charge relates to the Company's investments in subsidiaries (Centrica Business Solutions Belgium NV and Centrica Business Solutions Ireland Ltd).

<sup>(iii)</sup> The Company made a provision for credit losses on financial assets of £400,000 (2020: £nil). This provision relates to amounts owed by Group undertakings.

#### 8 Net finance income/(cost)

##### Finance income

	2021 £ 000	2020 £ 000
Interest income from amounts owed by Group undertakings	2,727	3,167
Dividend income	6,022	-
<b>Total finance income</b>	<u>8,749</u>	<u>3,167</u>

##### Finance cost

	2021 £ 000	2020 £ 000
Interest on amounts owed to Group undertakings	(5,472)	(4,710)
<b>Total finance costs</b>	<u>(5,472)</u>	<u>(4,710)</u>
<b>Net finance income/(cost)</b>	<u>3,277</u>	<u>(1,543)</u>

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

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 9 Directors' remuneration

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

#### 10 Auditors' remuneration

Auditors' remuneration totalling £6,000 (2020: £21,000) have been borne by other Group companies.

#### 11 Income tax

Tax charged/(credited) in the Income Statement

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
Total current income tax	<u>-</u>	<u>-</u>
<b>Deferred taxation</b>		
Origination and reversal of temporary differences	8	13
Changes in tax rates	<u>(22)</u>	<u>(10)</u>
Total deferred taxation	<u>(14)</u>	<u>3</u>

The main rate of corporation tax for the year to 31 December 2021 was 19% (2020: 19%). The corporation tax was due to increase to 25% with effect from 1 April 2023. However, on 23 September 2022 the Government announced that the rate of corporation tax will remain at 19%. At 31 December 2021, the deferred tax balances included in these financial statements are based on the enacted increased rate of corporation tax having regard to their reversal profiles.

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

# Centrica Business Solutions Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 11. Income tax (continued)

(As restated)

	2021 £ 000	2020 £ 000
Loss before tax	<u>(40,087)</u>	<u>(81,992)</u>
Tax on loss at standard UK corporation tax rate of 19% (2020: 19%)	(7,617)	(15,578)
Decrease from effect of revenues exempt from taxation	(1,144)	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	8,048	14,042
Increase arising from group relief tax reconciliation	787	1,623
Decrease from transfer pricing adjustments	(66)	(74)
Deferred tax credit relating to changes in tax rates or laws	<u>(22)</u>	<u>(10)</u>
Total tax (credit)/charge	<u>(14)</u>	<u>3</u>

#### Deferred tax

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

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

	Accelerated tax depreciation £000	Total £ 000
1 January 2020	81	81
Charged/(credited) to the Income Statement	<u>(3)</u>	<u>(3)</u>
31 December 2020	<u>78</u>	<u>78</u>

# Centrica Business Solutions Management Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 12 Property, plant and equipment

	Plant, equipment and vehicles £ 000	Total £ 000
<b>Cost</b>		
At 1 January 2021	36	36
Disposals and surrenders	<u>(36)</u>	<u>(36)</u>
At 31 December 2021	<u>-</u>	<u>-</u>
<b>Accumulated depreciation</b>		
At 1 January 2021	(15)	(15)
Charge for the year	(6)	(6)
Disposals and surrenders	<u>21</u>	<u>21</u>
At 31 December 2021	<u>-</u>	<u>-</u>
<b>Net book value</b>		
At 31 December 2021	<u>-</u>	<u>-</u>
At 31 December 2020	<u>21</u>	<u>21</u>

### 13 Investments

<b>Subsidiaries</b>	<b>£ 000</b>
<b>Cost or valuation</b>	
At 1 January 2021	172,833
Additions	<u>11,784</u>
At 31 December 2021	<u>184,617</u>
<b>Provision</b>	
At 1 January 2021	(127,588)
Impairments provided in the year	<u>(41,212)</u>
At 31 December 2021	<u>(168,800)</u>
<b>Net book value</b>	
At 31 December 2021	<u>15,817</u>
At 31 December 2020	<u>45,245</u>

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 13 Investments (continued)

The Company made the following capital injections into its subsidiaries during the year:  
Centrica Business Solutions Belgium NV: £10,646,000 in December 2021.

On 2 March 2021 the Company acquired 100% of the issued share capital of Pennings Power Limited for a total consideration of £1,138,000. This amount includes deferred consideration of £659,000 which is included in Other Payables. Of this amount £396,000 is expected to be paid in 2022 and £263,000 in 2023. Pennings Power Limited changed its name to CBS Solar Assets UK Limited on 28 March 2022.

On 3 March 2022 the Company acquired 100% of the shares in PRP Battery (Dyce) Limited for £950,000. The acquired company contains a right to develop a 30MW battery in Aberdeen, Scotland.

Details of the subsidiaries as at 31 December 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2021	2020
Centrica Business Solutions International Limited*	Holding	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
Centrica (Lincs) Wind Farm Limited*	Holding	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
Distributed Energy Customer Solutions Limited*	Energy management, products and services	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
Distributed Energy Asset Solutions Limited*	Dormant	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	100%
Centrica Business Solutions Belgium NV*	Demand response aggregation	Posthofbrug 12 2600 Antwerp Belgium	Ordinary	99.98%	99.98%

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 13 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2021	2020
Panoramic Power Limited*	Energy management products and services	15 Atir Yeda Street Kfar Saba 44643 Israel	Ordinary	100%	100%
Centrica Business Solutions Mexico S.A. DE C.V. (i)*	Energy management products and services	Presidente Masaryk No. 61, Piso 7, México, D.F. CP 11570 Mexico	Class 1	99.87%	99.87%
Centrica Business Solutions Ireland Limited*	Energy management products and services	1 Warrington Place Dublin 2 Republic of Ireland	Ordinary	100%	100%
Celtic Array Limited (ii)*	Development of an offshore windfarm	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	50%	50%
Rhiannon Wind Farm Limited (iii)	Dormant	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	0%	50%
Centrica Business Solutions France SASU	Demand response aggregation	60 Avenue Charles de Gaulle Cs 60016 92573 Neuilly sur Seine Cedex France	Ordinary	99.98%	99.98%
Centrica Business Solutions UK Optimisation Limited	Demand response aggregation	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	99.98%	99.98%

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 13 Investments (continued)

Name of subsidiary	Principal activity	Registered office	Holding	Proportion of ownership interest and voting rights held	
				2021	2020
FES Energy Solutions Limited (iv)	Energy management products and services	1 Warrington Place Dublin 2 Ireland	Ordinary	0%	100%
Centrica Business Solutions Deutschland GmbH	Demand response aggregation	Neuer Wall 10 20354 Hamburg Germany	Ordinary	99.98%	99.98%
Pennings Power Ltd (v)*	Solar asset investments	Millstream Maidenhead Road Windsor Berkshire SL4 5GD United Kingdom	Ordinary	100%	0%

\* indicates direct investment of the company

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

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

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

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

(v) Pennings Power Limited changed its name to CBS Solar Assets UK Limited on 28 March 2022.

## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 14 Trade and other receivables

	2021 Current £ 000	2020 Current £ 000
Amounts owed by Group undertakings	23,903	9,257
Other receivables	94	15
	<u>23,997</u>	<u>9,272</u>

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

Amounts owed by Group undertakings include credit loss provisions of £400,000 (2020: £nil).

#### 15 Trade and other payables

	2021 Current £ 000	Non-current £ 000	2020 Current £ 000
Trade payables	(1,061)	-	(284)
Accrued expenses	(1,834)	-	(149)
Amounts owed to Group undertakings	(89,770)	-	(68,209)
Social security and other taxes	(195)	-	-
Other payables	(492)	(263)	(155)
	<u>(93,352)</u>	<u>(263)</u>	<u>(68,797)</u>

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

Included within the net amounts owed to Group undertakings disclosed above is a net payable of £90,273,000 (2020: £51,483,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The quarterly rates ranged between 3.61% and 4.23% per annum during 2021 (2020: 4.42% and 4.73%). The net amount payable consists of a gross payable of £163,552,000 (2020: £121,580,000) and gross receivable of £73,279,000 (2020: £70,097,000).

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



## Centrica Business Solutions Management Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Provisions for other liabilities and charges

	Restructuring <sup>(i)</sup> £ 000	Employee benefits <sup>(ii)</sup> £ 000	Total £ 000
At 1 January 2021	(10)	-	(10)
Charged to the Income Statement	-	(60)	(60)
Provisions used	10	-	10
At 31 December 2021	-	(60)	(60)
Non-current liabilities	-	(60)	(60)

<sup>(i)</sup> Restructuring provision relates to redundancy costs associated with cost reduction programmes.

<sup>(ii)</sup> Employee benefits provision consists of national insurance on the Company's share of Group share based payments.

#### 17 Post-retirement benefits

##### (a) Defined benefit pension schemes

The Company's employees participate in a number of Group defined benefit pension schemes. Information on these schemes is provided in note 22 to the Group financial statements. The Company is unable to accurately identify its share of the overall pension scheme surplus or deficit and therefore accounts for the schemes as if they were a defined contribution scheme. Contributions payable of £404,000 (2020: £6,000) were recognised as an expense payable in the Income Statement.

##### Defined contribution pension scheme

The total cost charged to Income Statement of £707,000 (2020: £145,000) represents contributions payable to these schemes by the Company at rates specified in the rules of the scheme.

#### 18 Capital and reserves

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	1,011	1,011	1,011	1,011

##### Retained earnings

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

## **Centrica Business Solutions Management Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **19 Parent and ultimate parent undertaking**

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

The ultimate parent undertaking is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated financial statements. Copies of the Centrica plc consolidated financial statements may be obtained from [www.centrica.com](http://www.centrica.com).

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

#### **20 Non adjusting events after the financial period**

On 3 March 2022 the Company acquired 100% of the shares in PRP Battery (Dyce) Limited for £950,000. The acquired company contains a right to develop a 30MW battery in Aberdeen, Scotland.

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