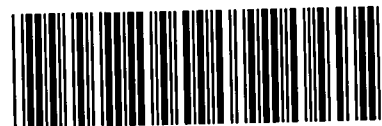


COMPANY REGISTRATION NUMBER: 07053816

**VERUS ENERGY OAK LIMITED**  
**FILLETED FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

SATURDAY



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**VERUS ENERGY OAK LIMITED**

**STATEMENT OF FINANCIAL POSITION**

**31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	3,402,758	2,261,144
<b>Current assets</b>			
Debtors	5	153,292	164,875
Cash at bank and in hand		<u>82,861</u>	<u>106,122</u>
		236,153	270,997
<b>Creditors: amounts falling due within one year</b>	6	<u>3,661,375</u>	<u>2,549,453</u>
<b>Net current liabilities</b>		<u>3,425,222</u>	<u>2,278,456</u>
<b>Total assets less current liabilities</b>		<u>(22,464)</u>	<u>(17,312)</u>
<b>Net liabilities</b>		<u>(22,464)</u>	<u>(17,312)</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		<u>(22,465)</u>	<u>(17,313)</u>
<b>Shareholders deficit</b>		<u>(22,464)</u>	<u>(17,312)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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.

These financial statements were approved by the board of directors and authorised for issue on 26 September 2018, and are signed on behalf of the board by:



**D Diracles**  
**Director**

Company registration number: 07053816

The notes on pages 2 to 6 form part of these financial statements.

**VERUS ENERGY OAK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

Verus Energy Oak Limited is a private company limited by shares and is incorporated in England. The address of the registered office is Vernon Road, Stoke on Trent, Staffordshire, ST4 2QY. The principal activity of the company is the development of a waste to energy project located in West Bromwich, England.

**2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

The accounts have been prepared on the going concern basis, see note 9 of the financial statements.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Significant judgements**

The cost of constructing the power plant include the costs of site preparation and the lease costs of the land on which the plant will be constructed. These costs are 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.

**Corporation tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

# VERUS ENERGY OAK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

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### 3. Accounting policies *(continued)*

#### Corporation tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Tangible assets

Costs related to assets under construction are capitalised where, in the opinion of the Directors, the related project is highly likely to be successfully developed and the economic benefits arising from future operations will exceed the amount of capitalised expenditure incurred to date, and the cost can be measured reliably. Costs incurred prior to meeting the criteria for capitalisation are recorded as an expense within operating costs in the profit and loss account.

Loan costs which are directly attributable to assets under construction are capitalised as part of the cost of those assets. Capitalisation ceases when the asset is fully operational.

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

# VERUS ENERGY OAK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2017

#### 4. Tangible assets

	Assets under construction £	Total £
<b>Cost</b>		
At 1 January 2017	2,261,144	<b>2,261,144</b>
Additions	1,141,614	<b>1,141,614</b>
<b>At 31 December 2017</b>	<b>3,402,758</b>	<b>3,402,758</b>
<b>Depreciation</b>		
At 1 January 2017 and 31 December 2017	—	—
<b>Carrying amount</b>		
At 31 December 2017	<b>3,402,758</b>	<b>3,402,758</b>
At 31 December 2016	2,261,144	2,261,144

#### 5. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	150	150
Deferred tax asset	4,900	3,392
Prepayments and accrued income	193	191
Other debtors	148,049	161,142
	<b>153,292</b>	<b>164,875</b>

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

#### 6. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	65,018	40,079
Amounts owed to group undertakings	271,067	384,602
Accruals and deferred income	2,300	2,500
Other loans	3,322,990	2,122,272
	<b>3,661,375</b>	<b>2,549,453</b>

Amounts due to Group undertakings are unsecured, interest free, and are repayable on demand.

Other loans are unsecured, interest free, and are repayable on the sale of the company or financial close of any project finance.

# VERUS ENERGY OAK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

### YEAR ENDED 31 DECEMBER 2017

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#### **7. Going concern**

The ability of the company to continue as a going concern is dependent on the company raising additional funding (either from existing shareholders or alternative third party financing) for the completion and the construction of the energy from waste project in West Bromwich. Prior to the commencement of production from the West Bromwich project, the company will not generate positive operating cash flows.

The project is sufficiently advanced that the directors are confident that additional funding can be raised to complete the project, giving them confidence that the company will continue as a going concern. The financial statements have therefore been produced on a going concern basis. The financial statements do not contain the adjustments that would be necessary if the company was unable to continue as a going concern.

#### **8. Contingencies**

There are contingent liabilities as follows:

- Contingent on the sale of the company or financial close of project finance - legal and professional fees £164,785
- Contingent on taking occupancy of the site - legal, professional, and land fees £627,500
- Engineering, planning, environmental, consultancy, project management, financial consultancy and related services disclosed in note 12.

#### **9. Events after the end of the reporting period**

There were no material events up to 26 September 2018, being the date of approval of the financial statements by the Board.

#### **10. Summary audit opinion**

The auditor's report for the year dated 26 September 2018 was unqualified.

The senior statutory auditor was Valerie Wood, for and on behalf of DPC Accountants Limited.

#### **11. Related party transactions**

Details of transaction between fellow group companies have not been disclosed in line with paragraph 33.1A of FRS 102.

There is a services agreement between the company and its parent company, Verus Energy Limited. The parent company has been providing engineering, planning, environment consultancy, project management, financial consultancy and related services to the company since incorporation in connection with the development, financing, construction and operation of the renewable power plant that is being developed by the company; and will continue to do so. Payment of any amounts owing will become due on the sale of the company or financial close of any project financing.

# **VERUS ENERGY OAK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 DECEMBER 2017**

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### **12. Ultimate parent undertaking**

The ultimate parent undertaking is Verus Energy Limited, a company registered in England and Wales. A copy of the financial statements can be obtained from the registered office; being c/o DPC, Vernon Road, Stoke-on-Trent, Staffordshire, ST4 2QY