

Company Registration No. 07703877

TAMAR ENERGY LIMITED

Annual report and financial statements

For the year ended 31 March 2019

*Parent accounts for Tamar Renewable
Power (Huddersdon) limited - 09070821
note 11 page 22*

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TAMAR ENERGY LIMITED

REPORT AND FINANCIAL STATEMENTS 2019

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TAMAR ENERGY LIMITED

STRATEGIC REPORT

DIRECTORS

A Feneley
S Musther
GKC Vincent
C Lister

REGISTERED OFFICE

Milton Parc
Milton Ernest
Bedfordshire MK44 1YU

SECRETARY

HS Secretarial Limited

BANKERS

Royal Bank of Scotland Plc
62-63 Threadneedle Street
City of London
EC2R 8HP

SOLICITORS

Hewitsons LLP
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Maurice Wilkes Building
St John's Innovation Park
Cambridge
CB4 0DS

TAMAR ENERGY LIMITED

STRATEGIC REPORT

BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS

Review of the business

The principal activities of Tamar Energy Limited and its subsidiaries, "the Group", are the ownership and operation of five anaerobic digestion (AD) plants generating renewable energy and bio-fertiliser from the processing of food waste. The Group also owns and operates six composting plants, processing commercial and domestic 'green waste' into compost.

The company was acquired in the prior period (6 February 2018) by funds managed by Ancala Partners LLP, and, via a new parent company, Ancala Bioenergy Limited, was amalgamated with the Biogen group of companies. Further details of the enlarged group are disclosed in the financial statements of Ancala Bioenergy Limited.

During the year to 31 March 2019 the Group continued to focus on the operational effectiveness across the portfolio of AD plants which have a combined installed generation capacity of 11.3MW, all of which receive Government subsidy applicable to renewable energy installations. A number of improvements to operational plants have been implemented following acquisition of the business in 2018. While these improvements give the directors confidence of improved performance moving forwards, generation levels have been impacted in the current financial year and have remained in line with prior year performance.

The loss before taxation in the year is £4,604k (2018: £29,999k) after exceptional items of £nil (2018: £24,229k) which comprises impairment charges and provisions.

Looking further ahead, the directors are confident about the future business plan adopted by the Group.

The Company has not made any significant donations to charities or political parties in the year (2018: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group face the following risks during the normal course of operations:

Price & availability of feedstock risk

The operating facilities of the Group require a consistent supply of suitable feedstock to maintain the biology of the plant and resulting generation. Market pressures, weather, plant issues/capacity can all impact feedstock supply. This risk is mitigated by maintaining strong relationships with a wide range of feedstock suppliers in addition to daily management of plant requirements / available feedstocks. Whilst market pressures led to a decline in gate fees over the past several years, the Directors confidently expect that gate fees should recover over the coming years. The Waste and Resources Strategy outlined by the Government in December 2018 supports this expectation.

Plant operating risk

Failure of key components of an operating plant may lead to reduced generation. This risk is mitigated by scheduled planned maintenance and monitoring alongside a team of experienced engineers.

Regulatory compliance risk

The Group operates within a heavily regulated environment with failure to comply with regulations having the potential to impact operations. The Group operates ISO9001, ISO14001 and OHSAS18001 with an integrated management system. Compliance along with health and safety are a high priority of the directors and are reviewed regularly.

Credit risk

The Group mitigates credit risk by obtaining external credit reports for every new customer in conjunction with regularly monitoring customer credit levels. The Group has a large customer base and doesn't suffer from significant concentration of credit.

TAMAR ENERGY LIMITED

STRATEGIC REPORT

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Energy pricing risk

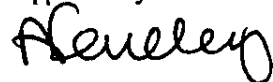
The Group operates in the UK energy market and as such is exposed to movements in wholesale power pricing. The Group enters into agreements to mitigate this risk. Plants that operate under the governments Feed in Tariff have the option of a fixed electricity export rate, the business reviews this on an annual basis.

Liquidity risk

The Group monitors and manages the cash flow requirements of the business with annual/rolling forecasts that are reviewed regularly by the directors. The capital requirements of the Group are met through cash reserves and shareholder loans.

Overall, the directors and shareholders are pleased with the progress made in 2019 and are confident that the business is on the right trajectory to deliver on the underlying business plan.

Approved by the Board of Directors and signed on behalf of the Board



A Feneley

Director

Date 29/7/19

TAMAR ENERGY LIMITED

Directors' report

The directors present their annual report on the affairs of the Group, together with the audited consolidated financial statements and auditors' report, for the year ended 31 March 2019.

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing of the financial statements were:

A Feneley

S Musther

G K C Vincent

C Lister

(appointed 1 December 2018)

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remained in force at the date of this report.

DIVIDENDS

The directors do not recommend the payment of a dividend (2018: £nil) in respect of the year.

FINANCIAL RISK MANAGEMENT POLICY

The Company has adopted the following policies to manage financial risk;

Interest rate risk is minimal with the Group either agreeing fixed rates or linking borrowing to Libor.

The Group has limited exposure to foreign currency; where this arises, the Group enters into hedging agreements for a small number of material foreign currency transactions.

Liquidity is closely managed and reviewed by the board of directors regularly.

FUTURE DEVELOPMENTS

Details of future developments are set out in the Strategic Report.

GOING CONCERN

The Group meets its day-to-day working capital requirements through facilities provided by its parent company, Ancala Bioenergy Limited. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Ancala Bioenergy Limited have provided written confirmation that they will not request repayment of the loan of £19,189k (2018: £16,870k) in the twelve months from approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

TAMAR ENERGY LIMITED

Directors' report (continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself 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 s418 of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law). 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



A Feneley

Director

Date 29/7/19

TAMAR ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMAR ENERGY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Tamar Energy Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Consolidated and company statements of financial position as at 31 March 2019; the consolidated statement of comprehensive income, and the consolidated and company statements of changes in equity for the year ended 31 March 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

TAMAR ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMAR ENERGY LIMITED

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

TAMAR ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMAR ENERGY LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Miles Saunders

Miles Saunders (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
21 July 2019

TAMAR ENERGY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
TURNOVER	4	16,516	17,832
Cost of sales		(16,748)	(17,779)
GROSS PROFIT		(232)	53
Administrative expenses		(2,346)	(2,450)
Exceptional items	5	-	(24,229)
Total administrative expenses		(2,346)	(26,679)
LOSS BEFORE INTEREST AND TAXATION	5	(2,578)	(26,626)
Interest payable and similar expenses	7	(2,026)	(3,373)
LOSS BEFORE TAXATION		(4,604)	(29,999)
Tax (charge)/ credit on loss	8	(2,487)	1,487
LOSS FOR THE FINANCIAL YEAR		(7,091)	(28,512)
Other comprehensive income			
Revaluation of cashflow hedge		-	322
Cancellation of cashflow hedge		-	785
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(7,091)	(27,405)
Total comprehensive expense for the year attributable to:			
Owners of the parent		(6,492)	(25,659)
Non Controlling interest		(599)	(1,746)
		(7,091)	(27,405)

All activities derive from continuing operations.

TAMAR ENERGY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2019

	Note	2019 £'000	2018 £'000
FIXED ASSETS			
Tangible assets	9	31,933	32,094
		<u>31,933</u>	<u>32,094</u>
CURRENT ASSETS			
Stocks	13	501	700
Debtors (including £2,681k (2018: £5,168k) due in more than one year)	14	5,765	8,052
Cash at bank and in hand		2,488	412
		<u>8,754</u>	<u>9,164</u>
CREDITORS: amounts falling due within one year	15	(5,251)	(3,284)
NET CURRENT ASSETS		<u>3,503</u>	<u>5,880</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		35,436	37,974
CREDITORS: amounts falling due after more than one year	16,17	(21,347)	(16,870)
PROVISIONS FOR LIABILITIES	18	(3,311)	(3,235)
NET ASSETS		<u>10,778</u>	<u>17,869</u>
CAPITAL AND RESERVES			
Called up share capital	19	995	995
Share premium accounts		98,369	98,369
Other reserves		608	608
Accumulated loss		(83,502)	(77,010)
		<u>16,470</u>	<u>22,962</u>
Non-controlling interests		(5,692)	(5,093)
TOTAL SHAREHOLDERS' FUNDS		<u>10,778</u>	<u>17,869</u>

See note 3 for details of restatement.

The financial statements on pages 10 to 29 were approved by the Board of Directors on 29 July 2019 and signed on its behalf by:


A Feneley

Director

Tamar Energy Limited Company Registration No. 07703877

TAMAR ENERGY LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION As at 31 March 2019

	Note	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	10	<u>3,846</u>	<u>3,846</u>
CURRENT ASSETS			
Debtors (including £19,414k (2018: £11,659k) due in more than one year)	14	35,693	27,583
Cash at bank and in hand		50	15
		<u>35,743</u>	<u>27,598</u>
CREDITORS: amounts falling due within one year	15	(30)	(55)
NET CURRENT ASSETS		<u>35,713</u>	<u>27,543</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		39,559	31,389
CREDITORS: amounts falling due after more than one year	16,17	(19,189)	(16,870)
NET ASSETS		<u>20,370</u>	<u>14,519</u>
CAPITAL AND RESERVES			
Called up share capital	19	995	995
Share premium account		98,369	98,369
Other reserves		608	608
Accumulated loss		(79,602)	(85,453)
TOTAL SHAREHOLDERS' FUNDS		<u>20,370</u>	<u>14,519</u>

The Company's profit for the year was £5,851k (2018: loss £60,109k).

The financial statements on pages 10 to 29 were approved by the Board of Directors on 29 July 2019 and signed on its behalf by:



A Feneley
Director

Tamar Energy Limited Company Registration No. 07703877

TAMAR ENERGY LIMITED

STATEMENTS OF CHANGES IN EQUITY For the year ended 31 March 2019

The Group	Called up share capital	Share premium account	Other reserves	Accumulated loss	Cashflow hedging reserve	Shareholders' funds attributable to owners of the parent	Minority interests	Total shareholders' funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2017	895	88,469	4,190	(50,244)	(1,107)	42,203	(3,347)	38,856
Loan converted to share capital	100	9,900	(3,582)	-	-	6,418	-	6,418
Revaluation of cashflow hedge	-	-	-	-	322	322	-	322
Cancellation of cashflow hedge	-	-	-	-	785	785	-	785
Loss for the financial year	-	-	-	(26,766)	-	(26,766)	(1,746)	(28,512)
Balance as at 31 March 2018	995	98,369	608	(77,010)	-	22,962	(5,093)	17,869
Loss for the financial year	-	-	-	(6,492)	-	(6,492)	(599)	(7,091)
Balance as at 31 March 2019	995	98,369	608	(83,502)	-	16,470	(5,692)	10,778
The Company	Called up share capital	Share premium account	Other reserves	Accumulated loss	Total Shareholders' funds			
	£'000	£'000	£'000	£'000	£'000			
Balance as at 1 April 2017	995	98,369	608	(25,344)	74,628			
Loss for the financial year	-	-	-	(60,109)	(60,109)			
Balance as at 31 March 2018	995	98,369	608	(85,453)	14,519			
Profit for the financial year	-	-	-	5,851	5,851			
Balance as at 31 March 2019	995	98,369	608	(79,602)	20,370			

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

1. GENERAL INFORMATION

Tamar Energy Limited and its subsidiaries operate a number of anaerobic digestion and green waste composting plants across the UK.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Milton Parc, Milton Ernest, Bedfordshire MK44 1YU.

2. STATEMENT OF COMPLIANCE

The group and individual financial statements of Biogen (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

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

Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. These are disclosed later in this note.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions, given its results are included in the consolidated financial statements of its parent company Ancala Bioenergy Holdco Limited (these financial statements can be obtained from the address given in note 21):

- under FRS 102 paragraph 1.12(b), exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Ancala Bioenergy Holdco Limited, includes the Company's cash flow in its own consolidated financial statements
- under FRS 102 paragraph 33.7, from disclosing key management personnel compensation in total

Going concern

The Group meets its day-to-day working capital requirements through facilities provided by its parent company, Ancala Bioenergy Limited. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Ancala Bioenergy Limited have provided written confirmation that they will not request repayment of the loan of £19,189k (2018: £16,870) in the twelve months from approval of these financial statements. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

Reclassification of deferred tax assets

The deferred tax asset of £5,168k as at 31 March 2018 was previously disclosed within fixed assets. This has been reclassified to current assets in the current year with the comparatives updated. There is no impact on net assets or profit as a result of the reclassification.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 March 2019**

3. ACCOUNTING POLICIES (Continued)

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 March. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Turnover

Turnover is the total amount receivable by the Group in the ordinary course of business from outside customers for goods supplied as a principal and for services provided including revenue from gate fees, electricity and subsidies, excluding value added tax and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Revenue recognition

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

Services rendered

Revenue earned from gate fees is recognised when waste is received over the gate.

Electricity

Revenue from the sale of electricity and associated renewable certificates, embedded benefits and feed-in tariffs, is recognised based on the quantity of electricity exported or generated, as applicable, at the contracted price, on the date of generation.

Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

1. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

2. Defined contribution pension plans

The Group operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

3. Annual bonus plan

The Group operates a discretionary annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. ACCOUNTING POLICIES (Continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities of other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Accrued income

Income that has been earned but not yet invoiced is accrued for at the rate at which the invoice will be raised.

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its economic life. Provision is made for any impairment.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost include the original purchase prices, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

No depreciation is provided on assets in the course of construction or long leasehold land and buildings. On other fixed assets depreciation is calculated to write down the cost of tangible fixed assets on the straight line basis over their expected useful lives. The expected useful economic lives are as follows:

Plant and machinery	3 - 25 years
Computers and software	3 years

Long leasehold buildings, which are not depreciated, are reviewed for impairment at the end of each reporting period.

Decommissioning

Decommissioning costs may be incurred by the group at the end of the operating life of some of the plants. These are determined under the terms of leases entered into for each site and the group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs can be uncertain and cost estimates vary in response to a number of factors, including resale value of equipment being decommissioned, changes to relevant legal requirements, the emergence of new restoration techniques and experience at other sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in laws and regulations or their interpretation.

The provision at reporting date represents managements best estimate of the present value of the future decommissioning costs required.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets

Impairment of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

If the recoverable amount of the asset is estimated to be less than the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment is recognised in the income statement as an expense. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash flows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs.

A previously recognised impairment will be reversed insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

Financial instruments

Financial assets

Subsequent to initial measurement, trade and other receivables and cash and cash equivalents are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in income when the receivables are derecognised or impaired, as well as through the amortisation process.

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Trade and other receivables are stated net of an allowance for uncollectible amounts.

Financial liabilities

Loans and trade and other payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process. 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 company after deducting all of its liabilities. Any instrument that includes a repayment obligation is classified as a liability.

Borrowing costs

Borrowing costs during construction are capitalised, costs are attributed to the fixed asset the borrowing was used to finance and amortised over the life of that asset. All other borrowing costs are recognised in the profit and loss in the period in which they are incurred.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. ACCOUNTING POLICIES (Continued)

Finance leases

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance lease.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, as included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the useful economic life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Stock

Stocks of spare parts for plant and machinery and feedstocks are held for use within the operating plants and are capitalised or expensed in the period in which they are acquired or used.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks with original maturities of three months or less and bank overdrafts.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Critical accounting policies, judgements/estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The most critical accounting policies and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. These relate to;

- The assessment of property, plant and equipment, intangible assets, investments and intergroup receivables (company only) for potential impairment, where the recoverable amount has been determined based on value in use. Management has to make significant estimates when putting together the budgets and projections which are used in the value in use calculations. These estimates are mainly in relation to projected revenues (primarily being income from food waste and electricity generation). Should the actual income received be significantly lower than that assumed in the impairment review an impairment would result.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

3. ACCOUNTING POLICIES (Continued)

- Deferred tax assets are only recognised on losses to the extent that future probable taxable profits will be available against which the deferred tax asset can be utilised. This is based upon future taxable profit forecasts of the Group. Management has to make significant estimates and judgements when forecasting future taxable profits. These estimates are mainly in relation to projected revenues (primarily being income from food waste and electricity generation). Should the actual taxable profits generated differ, the ability to utilise deferred tax assets may change.

The directors do not consider there to be any critical judgements.

4. TURNOVER

The turnover and loss are attributable to one activity, waste management and alternative energy production, and all arises within the United Kingdom.

5. LOSS BEFORE INTEREST AND TAXATION

	2019 £'000	2018 £'000
Operating loss is stated after charging/(crediting):		
Included in exceptional expenses:		
- Impairment of fixed assets	-	21,449
- Impairment of intangible assets	-	255
- Impairment of investments	-	10
- Onerous contract provision	-	1,713
- Other Provisions	-	803
	-	24,230
Depreciation on owned assets	1,743	4,017
Depreciation on assets held under finance leases	197	87
Amortisation of intangible assets	-	8
Loss on disposal of fixed assets	17	790
Inventory recognised as an expense	1,516	1,736
Rentals under operating leases:		
- Hire of plant and machinery	1,415	678
- Land and buildings	780	780
Fees payable to the Company's auditors and its associates for the audit of the parent Company and the Group's consolidated financial statements	-	75
Fees payable to the Company's auditors and its associates for non-audit services	-	61
Total amounts payable to the Company's auditors and its associates	-	136

The audit fees for the group are being paid for by another group Company, Biogen (UK) Limited.

In the prior year it was determined that there were indications that the group's anaerobic digestion plants would be unlikely to generate sufficient cash flows over their operating lifetimes to justify their carrying values. Consequently, an impairment assessment was undertaken and the difference between the assets' carrying amounts and their value in use, as represented by the present value of the estimated future cash flows, has been charged in the group income statement in the prior year. The discount rate applied to the estimated future cash flows was 10.25%.

Following a further review of asset values in the prior year, it was determined that the intangible asset and the trade investment had negligible ongoing value to the business and accordingly the carrying amount has been impaired. An impairment adjustment in relation to the carrying value of one of the Company's subsidiary undertakings has also been recognised in the prior year.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Employees

The average monthly number of persons (including executive directors) employed by the Group and Company during the year was:

	2019 No.	2018 No.
Production staff	56	61
Sales	2	5
Administration	4	9
	<u>62</u>	<u>75</u>

Staff costs incurred during the year in respect of these employees were:

	2019 £'000	2018 £'000
Wages and salaries	2,301	2,730
Social security costs	231	299
Other pension costs	53	64
Staff costs charged to profit and loss	<u>2,585</u>	<u>3,093</u>

Pension contributions of £nil (2018: £10k) for a defined contribution scheme were outstanding at the year end.

Directors

The directors' emoluments were as follows:

	2019 £'000	2018 £'000
Aggregate emoluments	-	175
Pension contributions	-	8
	<u>-</u>	<u>183</u>

In the year to 31 March 2019 none of the directors received any remuneration (2018: £175k) and there were no contributions to a defined contribution pension scheme (2018: £8k). The directors are deemed to be the key management personnel.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

7. NET INTEREST EXPENSE

Interest payable and similar expenses

	2019 £'000	2018 £'000
On loans and overdrafts	-	2,745
On other borrowings	12	297
Finance charges in respect of finance leases and similar	8	11
On loans from group undertakings	1,924	258
Unwinding of discount on provision	82	62
Total interest payable and similar charges	<u>2,026</u>	<u>3,373</u>

8. TAX ON LOSS

Tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2019 of 19% (2018: 19%). The differences are explained below:

(a) Tax charge/ (credit) included in profit and loss	2019 £'000	2018 £'000
--	---------------	---------------

Deferred tax:

- Origination and reversal of timing differences	2,701	(1,726)
- Adjustments in respect of prior periods	70	239
- Impact of change in tax rate	(284)	-
Total deferred tax credit	<u>2,487</u>	<u>(1,487)</u>

Tax charge/(credit) on loss	<u>2,487</u>	<u>(1,487)</u>
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(b) Reconciliation of tax charge

	2019 £'000	2018 £'000
Loss on ordinary activities before taxation	(4,604)	(29,999)
Loss multiplied by the standard rate of tax in the UK of 19% (2018: 19%).	(875)	(5,700)
The differences are explained below:		
- Expenses not deductible	59	8
- Effects of group relief/other reliefs	547	-
- Adjustments in respect of prior periods	70	239
- Tax rate changes	(284)	545
- Unrecognised deferred tax	2,970	3,421
Tax charge/(credit) for the year	<u>2,487</u>	<u>(1,487)</u>

The Finance (No 2) Act 2016, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2016. Subsequently, the Finance Act 2018, which provides for a further reduction in the main rate of

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

corporation tax to 17% effective from 1 April 2020, was substantively enacted on 15 March 2018. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

9. TANGIBLE ASSETS

The Group	Plant and machinery £'000	Computers and software £'000	Total £'000
Cost			
At 1 April 2018	76,022	506	76,528
Additions	1,934	-	1,934
Disposals	(230)	-	(230)
At 31 March 2019	77,726	506	78,232
Accumulated depreciation			
At 1 April 2018	44,004	430	44,434
Charge for the year	1,913	27	1,940
Disposals	(75)	-	(75)
At 31 March 2019	45,842	457	46,299
Net book value			
At 31 March 2019	31,884	49	31,933
At 31 March 2018	32,018	76	32,094

Included within Plant and machinery is freehold land with a carrying value of £1,300k, which is not depreciated. All other properties are occupied under lease agreements with remaining terms of less than 50 years.

The net book value of the Group's plant and machinery includes £41k (2018: £238k) in respect of assets held under finance leases and hire purchase contracts.

10. INVESTMENTS

	The Company	
	2019 £'000	2018 £'000
Subsidiary undertakings	3,846	3,846
	<u>3,846</u>	<u>3,846</u>

Trade investment

The company owns 1 A share in Green Gas Trading Limited, which represents a holding of 3.1% of the equity share capital. The carrying value of the trade investment was reduced to £Nil in the year to reflect the directors' assessment of its fair value.

Investments

The Company and the Group have investments in the following subsidiary undertakings in which the group holds 50% or more of the nominal value of any class of share capital are as follows:

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

11. INVESTMENTS (CONTINUED)

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Tamar Energy Development Company Limited*	Ordinary shares	100%	Non-trading Operational & management services
Tamar Energy (Holdings) Limited*	Ordinary shares	100%	
Tamar Renewable Power (Hoddesdon) Limited#*	Ordinary shares	100%	Anaerobic digestion plants
Tamar Energy (Hermes Holdings) Limited#*	Ordinary shares	100%	Operational & management services
Tamar Energy Operating Company (one) Limited#*	Ordinary shares	100%	Operational & management services
Holbeach Biogas Limited#	Ordinary shares	95%	Anaerobic digestion plants
Sutton Grange AD Limited#	A Ordinary shares	80%	Anaerobic digestion plants
Tamar Renewable Power (Essex) Limited#*	Ordinary shares	100%	Anaerobic digestion plants
Tamar Renewable Power (Basingstoke) Limited#*	Ordinary shares	100%	Anaerobic digestion plants
Tamar Organics Limited*	Ordinary shares	100%	Waste recycling & treatment services
Tamar Recycling (Suffolk) Limited#*	Ordinary shares	100%	Waste recycling & treatment services
Tamar Composting (East Anglia) Limited#*	Ordinary shares	100%	Waste disposal & recycling services
T J Composting Group Limited#*	Ordinary shares	100%	Non-trading
T J Composting Services Limited#*	Ordinary shares	100%	Non-trading
The Beddingham Compost Company Ltd#*	Ordinary shares	100%	Dormant
Tamar Organic Waste Limited#*	Ordinary shares	100%	Dormant

Held by a subsidiary undertaking

* Audit exemption claimed under s479A CA 2006

The Company and its subsidiary undertakings are registered in England and Wales at the following address:
Milton Parc, Milton Ernest, Bedfordshire, MK44 1YU.

The subsidiary undertakings have been consolidated in the Group financial statements.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

12. DEFERRED TAXATION

The Group	2019 £'000	2018 £'000
At 1 April	5,168	3,681
Adjustment in respect of prior periods	70	-
Recognised in comprehensive income	(2,557)	1,487
As at 31 March	<u>2,681</u>	<u>5,168</u>

The amounts of deferred tax asset recognised and unrecognised in the Group financial statements are as follows:

The Group	Recognised 2019 £'000	Recognised 2018 £'000	Unrecognised 2019 £'000	Unrecognised 2018 £'000
Accelerated capital allowances	2,519	4,825	4,261	1,702
Other short term timing differences	277	343	17	-
Revaluations/fair value adjustments	(115)	-	-	-
Tax losses	-	-	2,659	5,368
Deferred tax asset	<u>2,681</u>	<u>5,168</u>	<u>6,937</u>	<u>222</u>

The unrecognised deferred tax assets may be utilised against future taxable profits. They have not been recognised as the timing of future profitability is not certain.

13. STOCKS

	The Group	
	2019 £'000	2018 £'000
Feedstock	254	426
Spare parts for plant and machinery	247	274
	<u>501</u>	<u>700</u>

The value of stocks is not materially different from the replacement cost.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

14. DEBTORS

	The Group		The Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	1,094	756	-	-
Amounts owed by group undertakings	(0)	-	16,274	15,921
Other debtors	47	134	6	3
Other taxes	315	180	-	-
Prepayments and accrued income	1,628	1,814	-	-
Amounts falling due after more than one year:				
Loans to group undertakings	-	-	19,413	11,659
Deferred tax asset	2,681	5,168	-	-
	<u>5,765</u>	<u>8,052</u>	<u>35,693</u>	<u>27,583</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

The loans to group undertakings are unsecured, are repayable once certain conditions are met and accrue interest at 8.5% - 12% per annum. The loans are stated net of impairment provisions of £84,102 (2018: 65,978k) where there is uncertainty as to the likelihood of full recovery.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Obligations under hire purchase and finance leases	41	133	-	-
Trade creditors	501	1,135	-	-
Amounts owed to group undertakings	2,641	-	30	31
Other taxation and social security	56	70	-	-
Other creditors	407	272	-	12
Accruals and deferred income	1,605	1,674	-	12
	<u>5,251</u>	<u>3,284</u>	<u>30</u>	<u>55</u>

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

The amounts owed in respect of hire purchase and finance lease assets are secured on the assets concerned.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Loan from group undertaking	21,347	16,870	19,189	16,870
	<u>21,347</u>	<u>16,870</u>	<u>19,189</u>	<u>16,870</u>

The loans from group undertaking are unsecured and have no fixed date for repayment. Ancala Bioenergy Limited have provided written confirmation that they will not request repayment of the loan of £19,189k (2018: £16,870) in the twelve months from approval of these financial statements, interest is chargeable at 10.5% per annum on this balance. The remaining £2,159k is due to Biogen (UK) Limited, written confirmation has been provided stating that they will not request repayment of the loan in the twelve months from approval of these financial statements, interest is chargeable at 4.5% per annum on this balance.

17. BORROWINGS

Analysis of loan repayments:

	The Group		The Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<u>Within one year:</u>				
Hire purchase and finance leases	41	133	-	-
Bank loan	-	-	-	-
<u>Later than one year and not later than five years</u>				
Hire purchase and finance leases	-	-	-	-
Bank loan	-	-	-	-
Financial instruments	-	-	-	-
<u>After five years</u>				
Convertible loans	-	-	-	-
Loan from group undertaking	21,347	16,870	19,189	16,870
	<u>21,388</u>	<u>17,003</u>	<u>19,189</u>	<u>16,870</u>

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

18. PROVISIONS FOR LIABILITIES

The Group	Decommissioning provision	Onerous contract	Other provisions	Total
	£'000	£'000	£'000	£'000
At 1 April	712	1,720	803	3,235
Arising during the year	-	-	130	130
Utilised in the year	-	(167)	31	(136)
Unwinding of discount	8	74	-	82
At 31 March	720	1,627	964	3,311

The group makes full provision for the future cost of decommissioning anaerobic digestion plants on a discounted basis on commencement of construction. The decommissioning provision represents the present value of decommissioning costs, which are expected to be incurred up to 2043, which is when the anaerobic digestion plants are expected to cease operations. These provisions have been created based on the group's internal cost estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. Actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required.

Provision has been made for the discounted cost of future annual payments up to April 2029, required under a trading agreement that the directors consider to be onerous

The discount rate used in the calculation of the provisions as at 31 March 2019 was 1.9% (2018: 2.2%).

Other provisions relates to a number of compliance and operational matters which are deemed to present liabilities which have arisen from incidents that occurred. Expenditure on these items is expected to occur in the forthcoming year. Provision has also been made in respect of a boundary dispute at one of the AD plants.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

19. CALLED UP SHARE CAPITAL

Group and company

<i>Authorised</i>	<i>2019 No.</i>	<i>2018 No.</i>	<i>2019 £</i>	<i>2018 £</i>
Investor ordinary shares of 1p each	92,750,000	92,750,000	927,500	927,500
Performance shares of 1p each	625,000	625,000	6,250	6,250
Sponsor warrant shares of 1p each	29,150	29,150	291	291
Management warrant shares of 1p each	35,100	35,100	351	351
Loan enforcement shares of 1p each	2	2	–	–
Deferred shares of 1p each	635,750	635,750	6,358	6,358
SSL warrant shares	25,000	25,000	250	250
Investor preference shares	10,000,000	10,000,000	100,000	100,000
ESS shares of 1p each	1,000	1,000	10	10
			<u>1,041,010</u>	<u>1,041,010</u>
<i>Allotted, called up and fully paid</i>	<i>2019 No.</i>	<i>2018 No.</i>	<i>2019 £</i>	<i>2018 £</i>
Investor ordinary shares of 1p each	88,791,667	88,791,667	887,916	887,916
Performance shares of 1p each	–	–	–	–
Sponsor warrant shares of 1p each	29,150	29,150	292	292
Management warrant shares of 1p each	11,000	11,000	110	110
Loan enforcement shares of 1p each	2	2	–	–
Deferred shares of 1p each	635,750	635,750	6,358	6,358
SSL warrant shares	–	–	–	–
Investor preference shares	10,000,000	10,000,000	100,000	100,000
ESS shares of 1p each	900	900	–	–
			<u>994,676</u>	<u>994,676</u>

Rights, preferences and conditions

Ordinary shares carry one vote per investor if voting on a show of hands and one vote per share if voting on a poll or by written resolution.

Loan enforcement shares carry one vote per investor if voting on a show of hands and one vote for each £1 of investor loan held if voting on a poll or by written resolution. Performance shares, sponsor warrant shares and management warrant shares do not carry voting rights, but shareholders are entitled to attend general meetings. Deferred shares and ESS shares entitle the holder to participate in a capital redemption or proceeds from sale of the company's equity share capital, subject to certain restrictions, but they do not carry any voting rights or rights to dividends.

Further details regarding the rights attached to the various classes of share capital are set out in the company's Articles of Association which can be obtained from the company's registered office.

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2019

20. COMMITMENTS

Capital commitments

Contracted for but not provided - Group £Nil, (2018 - £Nil); Company £Nil, (2018 - £Nil).

Operating lease commitments

At 31 March 2019 the Group and Company were committed to making the following payments in respect of operating leases:

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Land and buildings				
Amounts payable:				
Not later than one year	748	780	387	387
Later than one year and not later than five years	2,512	2,733	1,231	1,324
Later than five years	11,238	11,790	4,764	5,057
	<u>14,498</u>	<u>15,303</u>	<u>6,382</u>	<u>6,768</u>

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Other assets				
Amounts payable:				
Not later than one year	14	46	11	34
	<u>14</u>	<u>46</u>	<u>11</u>	<u>34</u>

TAMAR ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2019

21. RELATED PARTY TRANSACTIONS

Related parties	Nature of transaction	2019 £'000	2018 £'000
Sutton Grange Services Limited	Payment for services	(1,457)	(888)
	Balance owing at 31 March	-	(163)
Fred Walter & Sons Limited	Payment for rent	(80)	(80)
	Payment for services	-	-
	Balance owing at 31 March	-	-
AH Worth and Company Limited	Payment for rent	(54)	(54)
	Balance owing at 31 March	-	-
	Receipt for wholesale electricity	763	685
	Balance owed at 31 March	-	-
Worth Farms Limited	Payment for services	(357)	(398)
	Balance owing at 31 March	-	(1)
QV Foods Limited	Payment for services	(43)	(40)
	Balance owing at 31 March	-	-
Sutton Grange AD Limited	Balance owing at 31 March	27,229	24,147
Holbeach Biogas Limited	Balance owing at 31 March	9,516	9,483

During the year the company purchased goods and services from Sutton Grange Services Limited, a company in which both M I Paulson and C F Walter, directors of Sutton Grange AD Limited, are also directors.

During the year the Sutton Grange AD Limited was charged rent by and has purchased goods from Fred Walter & Sons Limited, a company in which C F Walter, a director of Sutton Grange AD Limited, is also a director.

During the year, Holbeach Biogas Limited paid rent to AH Worth and Company Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director and shareholder. AH Worth and Company Limited purchased wholesale electricity from Holbeach Biogas Limited

During the year, Holbeach Biogas Limited purchased goods and services from Worth Farms Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director and shareholder.

During the year, Holbeach Biogas Limited purchased goods from QV Foods Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director.

The Company is exempt from disclosing related party transactions which are with other group companies that are wholly owned within the Group.

22. ULTIMATE CONTROLLING PARTY

The immediate parent company is Ancala Bioenergy Limited in whose consolidated financial statements the results of the Company are included. The financial statements of Ancala Bioenergy Limited are publicly available from Milton Parc, Milton Ernest, Bedford, Bedfordshire, MK44 1YU.

The ultimate parent company is Ancala Bioenergy Holdco Limited, in whose consolidated financial statements the results of the Company are included. The financial statements of Ancala Bioenergy Holdco Limited are publicly available from c/o Ancala Partners LLP, 40 Gracechurch Street, London, England, EC3V 0BT.

The ultimate controlling party are funds managed by Ancala Partners LLP.