

**Company Registration No. 07739876**

**Holbeach Biogas Limited**

**Annual report and financial statements**

**For the year ended 31 March 2019**

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# **Holbeach Biogas Limited**

## **Annual report and financial statements 2019**

<b>Contents</b>	<b>Page(s)</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Independent auditors' report</b>	<b>4 - 6</b>
<b>Statement of comprehensive income</b>	<b>7</b>
<b>Statement of financial position</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 16</b>

# **Holbeach Biogas Limited**

## **Annual report and financial statements 2019**

### **Officers and professional advisers**

#### **DIRECTORS**

A Feneley  
S Musther  
GKC Vincent  
DR Worth  
C Lister

#### **REGISTERED OFFICE**

Milton Parc  
Milton Ernest  
Bedfordshire MK44 1YU

#### **BANKERS**

National Westminster Bank Plc  
City of London Office  
1 Princes Street  
London EC2R 8BP

#### **SOLICITORS**

Hewitsons LLP  
Shakespeare House  
42 Newmarket Road  
Cambridge  
CB5 8EP

#### **INDEPENDENT AUDITORS**

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

# **Holbeach Biogas Limited**

## **Directors' report**

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

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors have taken an exemption under s414B of the Companies Act 2006 from preparing a strategic report for the year ended 31 March 2019.

### **Principal activities**

The Company's principal activity is the operation of an anaerobic digestion plant and related activities.

### **Directors**

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

A Feneley	
S Musther	
AM Sibley	(resigned 28 September 2018)
GKC Vincent	
DR Worth	
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 place during the year.

### **Going Concern**

The company meets its day-to-day working capital requirements through short term intergroup funding arrangements. The Company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of available facilities.

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

At 31 March 2019, the company had net current liabilities of £3,989k (2018: £3,629k). The directors have received a letter from the ultimate parent company, Ancala Bioenergy Holdco Limited, indicating that it will provide sufficient financial resources for the Company for a period of 12 months from the approval of these financial statements. Accordingly, the directors have reasonable grounds to prepare these financial statements on a going concern basis.

# Holbeach Biogas Limited

## Directors' report (continued)

### 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" Section 1A, 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 company and of the profit or loss of the 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 Section 1A, 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 company will continue in business.

The directors 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 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.

### 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 and signed on its behalf by:



A Feneley  
Director

Date: 29/7/19

Holbeach Biogas Limited Company Registration No. 07739876

# Holbeach Biogas Limited

## Independent auditors' report to the members of Holbeach Biogas Limited

### Report on the audit of the financial statements

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#### Opinion

In our opinion, Holbeach Biogas Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its 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" Section 1A, 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 statement of financial position as at 31 March 2019; the statement of comprehensive income for the year ended 31 March 2019, the statement 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.

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#### 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 company 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.

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#### 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 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 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 company's trade, customers, suppliers and the wider economy.

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#### 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.

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

## Holbeach Biogas Limited

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.

### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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## **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 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.

### *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](http://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.

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## **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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

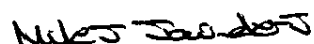
## **Holbeach Biogas Limited**

### **Independent auditors' report to the members of Holbeach Biogas Limited (continued)**

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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



## Holbeach Biogas Limited

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

	Note	2019 £'000	2018 £'000
<b>TURNOVER</b>	4	1,881	1,748
Cost of sales		(1,628)	(1,450)
<b>GROSS PROFIT</b>		<u>253</u>	<u>298</u>
Administrative expenses		224	(133)
Exceptional item		-	(484)
<b>PROFIT/(LOSS) BEFORE INTEREST AND TAXATION</b>		<u>477</u>	<u>(319)</u>
Interest payable and similar charges		(837)	(818)
<b>LOSS BEFORE TAXATION</b>		<u>(360)</u>	<u>(1,137)</u>
Tax credit on loss		(9)	171
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(369)</u>	<u>(966)</u>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<u>(369)</u>	<u>(966)</u>

All activities derive from continuing operations.

# Holbeach Biogas Limited

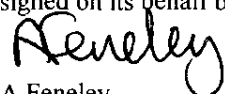
## STATEMENT OF FINANCIAL POSITION As at 31 March 2019

		2019	*Represented 2018
	Note	£'000	£'000
<b>FIXED ASSETS</b>			
Property, plant and equipment	7	5,169	5,146
		<u>5,169</u>	<u>5,146</u>
<b>CURRENT ASSETS</b>			
Inventories	9	134	217
Debtors (including £151k (2018: £159k) due after more than one year)	10	362	809
Cash and cash equivalents		440	46
		<u>936</u>	<u>1,072</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(394)	(224)
<b>NET CURRENT ASSETS</b>		<u>542</u>	<u>848</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,711	5,994
<b>CREDITORS: amounts falling due after more than one year</b>	12	(9,517)	(9,483)
<b>PROVISIONS FOR LIABILITIES</b>	13	(192)	(140)
<b>NET LIABILITIES</b>		<u>(3,998)</u>	<u>(3,629)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		1	1
Share premium account		476	476
Profit and loss account		(4,475)	(4,106)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<u>(3,998)</u>	<u>(3,629)</u>

For details of the representation see note 3.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with provisions of FRS102 Section 1A – small entities.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 29 July 2019 and signed on its behalf by:



A Feneley  
Director

Holbeach Biogas Limited Company Registration No. 07739876

# Holbeach Biogas Limited

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

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Balance as at 1 April 2017	1	476	(3,140)	(2,663)
Loss for the financial year and comprehensive expense	-	-	(966)	(966)
Balance as at 31 March 2018 and 1 April 2018	<u>1</u>	<u>476</u>	<u>(4,106)</u>	<u>(3,629)</u>
Loss for the financial year and comprehensive expense	-	-	(369)	(369)
Balance as at 31 March 2019	<u><u>1</u></u>	<u><u>476</u></u>	<u><u>(4,475)</u></u>	<u><u>(3,998)</u></u>

# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 1. STATUTORY INFORMATION

Holbeach Biogas Limited operates an Anaerobic Digestion Plant in Lincolnshire.

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, Bedford, Bedfordshire MK44 1YU.

### 2. COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements of Holbeach Biogas 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") under Section 1A for small entities and the Companies Act 2006.

### 3. ACCOUNTING POLICIES

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.

#### Basis of preparation

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

The presentation currency is £'000 sterling.

The statement of financial position as at 31 March 2018 has been represented to reclassify deferred tax assets from fixed assets to current assets. There is no impact on net liabilities or the loss for the year ended 31 March 2018.

#### Going Concern

The company meets its day-to-day working capital requirements through short term intergroup funding arrangements. The Company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of available facilities.

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

The directors have received a letter from the ultimate parent company, Ancala Bioenergy Holdco Limited, indicating that it will provide sufficient financial resources for the Company for a period of 12 months from the approval of these financial statements.

#### Property, plant & equipment and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write down the cost of property, plant and equipment on the straight line basis over their expected useful lives. The expected useful economic lives are as follows:

Plant and machinery	10 – 30 years
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#### Inventories

Stock is held at a carrying value of the lower of cost and estimated selling price less costs to sell. Stock is recognised as an expense in the period in which the related revenue is recognised.

# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 3. ACCOUNTING POLICIES (continued)

#### **Decommissioning**

Decommissioning costs may be incurred by the company at the end of the operating life of the plant. These are determined under the terms of leases entered for each site and the company 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. As a result there could be significant adjustments to the provisions established which would affect future financial results.

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

#### **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.

# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### Equity

Equity comprises the following

- “Share capital” represents the nominal value of ordinary equity shares.
- “Share premium account” represents the excess over nominal value of the fair value of consideration received for equity shares consisting of investor ordinary shares, net of expenses of the share issues.
- “Profit and loss account” include all cumulative results as disclosed in the comprehensive income statement.

### Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

### 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.

### 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.

### Borrowing costs

Borrowing costs are recognised in the profit and loss in the period in which they are incurred.

### 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 for potential impairment. The recoverable amount of the plant and machinery 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 electricity generation). Should the actual income received be significantly lower than that assumed in the impairment review an impairment would result.
- 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.

# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 4. TURNOVER

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

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the directors received any emoluments in respect of their services to the company during the year (2018: £nil). No advances have been made to directors and there are no outstanding balances with directors.

### 6. AUDITORS REMUNERATION

Auditors' remuneration of £11k (2018: £11k) is paid by Biogen (UK) Limited on behalf of the Company for the audit of the Company's annual financial statements.

### 7. PROPERTY, PLANT AND EQUIPMENT

	<b>Plant and machinery £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 1 April 2018	7,806	7,806
Additions	74	74
At 31 March 2019	7,880	7,880
<b>Accumulated depreciation</b>		
At 1 April 2018	2,660	2,660
Charge for the year	482	482
Reversal of impairment provision	(431)	(431)
At 31 March 2019	2,711	2,711
<b>Net book value</b>		
At 31 March 2019	5,169	5,169
At 31 March 2018	5,146	5,146

The net book value of the Company's plant and machinery includes £nil (2018: £12k) in respect of assets held under finance leases and hire purchase contracts.

# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 8. DEFERRED TAX ASSET

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax asset	151	159

Deferred tax arises on timing differences between the carrying values of plant, property and equipment for tax purposes and their book values which have originated but not reversed at the balance sheet date.

### 9. INVENTORIES

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Feedstock	68	153
Spare parts	66	64
	134	217

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

### 10. DEBTORS

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Trade debtors	76	80
Amounts owed by group undertakings	10	390
Prepayments and accrued income	125	180
Amounts falling due after more than one year:		
Deferred tax asset	151	159
	362	809

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



# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade creditors	-	25
Amounts owed to group undertakings	208	40
Other creditors	63	52
Obligations under finance leases	-	12
Accruals and deferred income	123	95
	<u>394</u>	<u>224</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date for repayment, are repayable on demand and are due within one year.

### 12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £'000	2018 £'000
Amounts owed to group undertakings	9,517	9,483
	<u>9,517</u>	<u>9,483</u>

Details of the terms of this loan are given in note 15.

### 13. PROVISIONS FOR LIABILITIES

	2019 £'000	2018 £'000
Decommissioning provision	142	140
Other provisions	50	-
	<u>192</u>	<u>140</u>

The company makes full provision for the future cost of decommissioning the anaerobic digestion plant on a discounted basis on construction commencement. The decommissioning provision represents the present value of decommissioning costs relating to the anaerobic digestion plant, which is expected to be incurred when the plant ceases operation. This provision has been created based on the company's internal estimates. Assumptions based on the current economic environment have been made, which management believes is a reasonable basis upon which to estimate the future liability. This estimate is reviewed regularly to take into account any material changes to the assumptions and has been reduced in the year to remove cost elements deemed not to be required. The discount rate used in the calculation of the provision as at 31 March 2019 was 1.9% (2018: 2.16%).

The other provision relates to the removal of silt build up in the digestate storage lagoon.

# Holbeach Biogas Limited

## Notes to the financial statements (continued) For the year ended 31 March 2019

### 14. LEASE OBLIGATIONS

The Company had the following future minimum lease payments under non-cancellable operating leases

	2019	2018
Land and buildings	£'000	£'000
Not later than one year	54	54
Later than one year and not later than five years	215	215
Later than five years	750	804
	<u>1,019</u>	<u>1,073</u>

### 15. RELATED PARTY TRANSACTIONS

Transactions with related parties are set out below.

Included in note 12 is £9,517k (2018: £9,483k) owed to the parent undertaking, Tamar Energy Operating Company (one) Limited. This amount includes accrued interest for the year of £840k (2018: £810k) charged at the rate of 8% per annum. The loan is payable in quarterly instalments once certain conditions have been met.

During the year, Holbeach Biogas Limited purchased goods and services amounting to £357k (2018: £398k) 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 paid rent amounting to £54k (2018: £54k) to AH Worth and Company Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director. The amount due by Holbeach Biogas Limited at 31 March 2019 was £13k (2018: £nil).

During the year, Holbeach Biogas Limited purchased goods amounting to £43k (2018: £47k) from QV Foods Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director. The amount due by Holbeach Biogas Limited at 31 March 2019 was £nil (2018: £nil).

AH Worth and Company Limited purchased electricity revenue from the company amounting to £763k (2018: £685k) during the year, and at 31 March 2019 the amount owed by AH Worth and Company Limited was £nil (2018: £nil).

The company has relied upon the disclosure exemption conferred by FRS 102 not to disclose transactions with wholly-owned group undertakings.

### 16. ULTIMATE CONTROLLING PARTY

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.

The company's immediate parent undertaking is Tamar Energy Operating Company (one) Limited, a company incorporated in England.

The smallest group for which group financial statements are drawn up and of which the company is a member is Tamar Energy limited. Its registered office and the address from which group financial statements can be obtained is C/O Biogen, Milton Parc, Milton Ernest, Bedfordshire, MK44 1YU.