

**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
**FOR**  
**GERMAN BIOGAS HOLDCO LIMITED**

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**GERMAN BIOGAS HOLDCO LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Report of the Independent Auditors to the Members of German Biogas Holdco Limited</b>	<b>4</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>Statement of Cash Flows</b>	<b>10</b>
<b>Notes to the Statement of Cash Flows</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

**GERMAN BIOGAS HOLDCO LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Directors:**

A C Shutie  
C L Bourne

**Registered office:**

Foresight Group  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

**Registered number:**

08677775 (England and Wales)

**Auditors:**

PricewaterhouseCoopers LLP  
5th and 6th Floors Central Square South  
Newcastle Upon Tyne  
Tyne and Wear  
NE1 3AZ

## **GERMAN BIOGAS HOLDCO LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

#### **Principal activity**

The principal activity of the company in the year under review was that of an investment company.

The results for the year ended 31 December 2020 show a loss before tax of (€16,137,350) (2019: €17,218,741 loss before tax).

The balance sheet for the year ended 31 December 2020 shows total net liability position of €29,636,312 (2019: net liability position of €13,498,962).

#### **Key performance indicators**

The directors do not consider KPIs to be appropriate given the nature of the business.

#### **Dividends**

The directors do not recommend the payment of a dividend (2019: £nil)

#### **Events since the end of the year**

Information relating to events since the end of the year is given in Note 13 of the financial statements.

#### **Directors**

During the period between 1 January 2020 and the signing of this report, the following changes in directors holding office are as follows:

A C Shutie - remains in office  
C J R Sheldon – resigned 22 September 2021  
C L Bourne – appointed 22 September 2021

#### **Statement of directors' responsibilities**

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 international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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.

### **Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.


### **Auditors**

The auditors, PricewaterhouseCoopers LLP, were appointed during the period and will be proposed for re-appointment at the forthcoming Annual General Meeting.

### **Small companies provision statement**

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006. The directors have also taken advantage of small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic Report.

**On behalf of the board:**



.....  
A C Shutie - Director

Date: 17th December 2021 .....

# Independent auditors' report to the members of German Biogas Holdco Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, German Biogas Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the directors and financial statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Statement of Cash Flows for the year then ended; 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 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.

### Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### 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.

# Independent auditors' report to the members of German Biogas Holdco Limited (continued)

## **Reporting on other information (continued)**

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Report of the Directors**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2020 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 Report of the Directors.

## **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, 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation and compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to the statement of profit and loss and other comprehensive income, or through management bias in manipulation of accounting estimates with the aim of improving performance. Audit procedures performed by the engagement team included:

- Inquiry of management and those charged with governance around actual and potential litigation claims;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Identifying and testing journal entries, in particular any journal entries with unusual account combinations; and
- Challenging assumptions and judgements made by management in their significant accounting estimates in particular regarding the valuation of investments and consideration of the impact of COVID-19 on going concern.

# Independent auditors' report to the members of German Biogas Holdco Limited (continued)

## **Auditors' responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

## 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 obtained 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.

### **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 Report of the Directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mark Dawson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle  
17 December 2021



**GERMAN BIOGAS HOLDCO LIMITED****STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>31.12.20</b>	<b>As restated</b>
	<b>Notes</b>	<b>€</b>	<b>(see Note 2)</b>
			<b>31.12.19</b>
			<b>€</b>
<b>Investment Income</b>	6	4,377,039	3,898,948
Administrative expenses		(147,293)	(16,531)
Loss on revaluation of investments	6	(15,979,592)	(17,189,935)
		<hr/>	<hr/>
<b>Total operating loss</b>		(11,749,846)	(13,307,518)
Interest payable and similar expenses	10	<u>(4,387,504)</u>	<u>(3,911,223)</u>
<b>Loss before taxation</b>		(16,137,350)	(17,218,741)
Tax on loss	5	<hr/>	<hr/>
<b>Loss for the financial year</b>		<u>(16,137,350)</u>	<u>(17,218,741)</u>
<b>Other Comprehensive Income for the year, net of income tax</b>		<hr/>	<hr/>
<b>Total Comprehensive Income/(Loss) for the year</b>		<u>(16,137,350)</u>	<u>(17,218,741)</u>

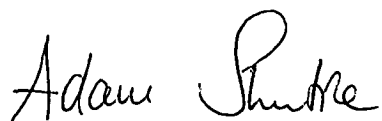
**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2020**

	Notes	31.12.20 €	As restated (see Note 2) 31.12.19 €
<b>Assets</b>			
<b>Fixed assets</b>			
Investments	6	42,722,097	46,904,650
<b>Current assets</b>			
Cash and cash equivalents	7	162,611	18,941
		<u>42,884,708</u>	<u>46,923,591</u>
<b>Capital, reserves and liabilities</b>			
<b>Reserves</b>			
Other reserves	9	6,300,000	6,300,000
Retained earnings	9	(35,936,312)	(19,798,962)
<b>Shareholders' funds</b>		<u>(29,636,312)</u>	<u>(13,498,962)</u>
<b>Creditors</b>			
Amounts falling due within one year	10	48,719	38,473
Amounts falling due after more than one Year	11	72,472,301	60,384,080
		<u>42,884,708</u>	<u>46,923,591</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on

17th December 2021 and were signed on its behalf by:



A C Shutie - Director

**GERMAN BIOGAS HOLDCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Accumulated losses €</b>	<b>Other reserves €</b>	<b>Total equity €</b>
<b>Balance at 1 January 2019</b>	(2,580,221)	6,300,000	3,719,779
<b>Changes in equity</b>			
Deficit for the year	<u>(17,218,741)</u>	<u>-</u>	<u>(17,218,741)</u>
Total comprehensive expense	<u>(17,218,741)</u>	<u>-</u>	<u>(17,218,741)</u>
<b>Balance at 31 December 2019</b>	<u>(19,798,962)</u>	<u>6,300,000</u>	<u>(13,498,962)</u>
<b>Changes in equity</b>			
Deficit for the year	<u>(16,137,350)</u>	<u>-</u>	<u>(16,137,350)</u>
Total comprehensive expense	<u>(16,137,350)</u>	<u>-</u>	<u>(16,137,350)</u>
<b>Balance at 31 December 2020</b>	<u>(35,936,312)</u>	<u>6,300,000</u>	<u>(29,636,312)</u>

The notes form part of these financial statements

**GERMAN BIOGAS HOLDCO LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>31.12.20</b>	<b>As Restated (see Note 2) 31.12.19</b>
	<b>Notes</b>	<b>€</b>	<b>€</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,251,174	1,571,119
Interest received		<u>280,000</u>	<u>734,592</u>
Net cash from operating activities		<u>4,531,174</u>	<u>2,305,711</u>
<b>Cash flows from investing activities</b>			
Additional loans drawn down		(7,700,000)	(1,306,000)
Loan repayments received in year		<u>-</u>	<u>1,183,230</u>
Net cash from investing activities		<u>(7,700,000)</u>	<u>(122,770)</u>
<b>Cash flows from financing activities</b>			
New loans in year		7,700,000	1,306,000
Interest paid		(4,387,504)	(2,435,856)
Loan repayments in year		<u>-</u>	<u>(1,034,144)</u>
Net cash from financing activities		<u>3,312,496</u>	<u>(2,164,000)</u>
<b>Increase in cash and cash equivalents</b>		<u>143,670</u>	<u>18,941</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>18,941</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>162,611</u></u>	<u><u>18,941</u></u>

The notes form part of these financial statements

**GERMAN BIOGAS HOLDCO LIMITED****NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020****1. Reconciliation of loss before taxation to cash generated from operations**

	31.12.20	As restated (see Note 2) 31.12.19
	€	€
Loss before taxation	(16,137,350)	(17,218,741)
Loss on revaluation of fixed assets	15,979,592	17,189,935
Finance income	(4,377,039)	(3,808,603)
Finance costs	4,387,504	3,911,223
	(147,293)	73,814
(Increase)/Decrease in trade and other debtors	-	-
Increase in trade and other creditors	4,398,467	1,497,305
<b>Cash generated from operations</b>	<b>4,251,174</b>	<b>1,571,119</b>

**2. Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2020**

	31.12.20	1.1.20
	€	€
Cash and cash equivalents	162,611	18,941

**Year ended 31 December 2019**

	31.12.19	1.1.19
	€	€
Cash and cash equivalents	18,941	-

**3. Analysis of changes in net debt**

	At 1.1.20	Cash flow	At 31.12.20
	€	€	€
<b>Net cash</b>			
Cash at bank and in hand	18,941	143,670	162,611
	18,941	143,670	162,611
<b>Debt</b>			
Debts falling due within 1 year	(56,721,856)	(7,700,000)	(64,421,856)
	(56,721,856)	(7,700,000)	(64,421,856)
<b>Total</b>	<b>(56,702,915)</b>	<b>(7,556,330)</b>	<b>(64,259,245)</b>

The notes form part of these financial statements

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Statutory information**

German Biogas Holdco Limited is a private company, limited by shares, registered in England. The company's registered number and registered office address can be found on the Company Information page.

**2. Accounting policies**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and on a going concern basis. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

**Change to Statement of Comprehensive Income**

The company changed the way in which certain line items are presented in the Statement of Comprehensive Income, with both Interest income and Gain/loss on revaluation of investments now being presented above the operating profit/loss line. There has been no changes to the amounts presented for the current or previous years. This reflects the nature of the operations of the entity as an investment entity. Due to the nature of the change, the Statement of Comprehensive Income for the year ended 31 December 2020 has been restated, with no impact on profit for the prior period.

**Correction of presentation of accrued interest**

During the preparation of the financial statements, it was noted that interest accrued on investments in loan notes are not presented correctly on the Statement of Financial Position. This error resulted in a material understatement of investments in loan notes and a corresponding overstatement of debtors. This error further resulted in a material understatement of cash generated from operations and a corresponding overstatement of interest received in the Statement of Cash Flows.

These errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

Statement of Financial Position Item	Balance prior to restatement (31 Dec 2019)	Adjustment made for restated balance	Statement of Financial Position Restated for 31 Dec 2019
Investments	43,135,614	3,769,036	46,904,650
Debtors	3,769,036	(3,769,036)	-

Statement of Financial Position Item	Balance prior to restatement (31 Dec 2018)	Adjustment made for restated balance	Statement of Financial Position Restated for 1 Jan 2019
Investments	60,202,779	2,186,858	62,389,637
Debtors	2,186,858	(2,186,858)	-

Statement of Cash Flows Item	Balance prior to restatement (31 Dec 2019)	Adjustment made for restated balance	Statement of Cash Flows Restated for 31 Dec 2019
Cash generated from operations	(11,059)	1,582,178	1,571,119
Interest received	2,316,770	(1,582,178)	734,592

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies – continued**

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

**Use of estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

*Key estimate used* - The fair value of the Company's investments in subsidiaries is calculated by a third party, Grant Thornton Limited, using a discounted cashflow methodology (see Note 6 for reference to key assumptions made).

The following judgement was applied by the entity in preparing these financial statements:

The Directors have satisfied themselves that the Company meets the characteristics of an investment entity. The Company in substance is investing the funds of the investors of the ultimate parent entity, The NatWest Pension Fund, on its behalf and is effectively performing investment management services on behalf of many unrelated beneficiary investors.

**Going concern**

In the opinion of the directors, we expect the Company to be able to continue operations for at least another 12 months from the date of signing of these financial statements. The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due and determined that based on recent performance of the investment portfolio, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling party, NatWest Group Pension Fund, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

**Revenue recognition**

Loan interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable within the loan agreements. Per the loan agreements, unpaid loan interest can be rolled into the loan principal amount and, if applicable, penalty interest is also accrued on these unpaid amounts.

**Financial Instruments**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (through profit or loss); and
- those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company reclassifies debt investments when and only when its business model for managing those asset changes.

**(ii) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies - continued**

**(iii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not a fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

**Assets held at fair value through profit or loss - investments**

All investments held by the Company are valued at "fair value through profit or loss". Fair value is calculated in accordance with the International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as updated in December 2015. This classification is followed, as the Fund's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income. The amount of any impairment loss is measured as the difference between the asset's carrying amount and the expected recoverable amount. The carrying amount of the asset would be reduced and the amount of the loss recognised in the Statement of Comprehensive Income for the year.

**Trade receivables**

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

**Trade payables**

These amounts represent liabilities for services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**Contributed equity**

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement. Ordinary shares are classified as equity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deduction of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs. Direct issue costs are charged against the value of ordinary share premium. The accounts refer to 'Other Reserves' throughout, which in this case applies to capital contribution, as per the above explanation.

**Exemption from preparing consolidated financial statements**

The Company has not produced consolidated financial statements as it is utilising the exemption option because the Company expects its ultimate parent company to produce consolidated financial statements that are available for public use and comply with IFRS 10.



**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. Employees and directors**

There were no staff costs for the year ended 31 December 2020 nor for the year ended 31 December 2019.

The average number of employees during the year was NIL (2019 – NIL).

**4. Loss before income tax**

	<b>31.12.20</b>	<b>31.12.19</b>
	€	€
Fees payable to the company's auditors for the audit of the company's financial statements	<u>10,246</u>	<u>16,446</u>

The loss before income tax is stated after charging the above audit fee.

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS – continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**5. Taxation**

**Analysis of tax expense**

No liability of UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019. Furthermore, there were neither deferred tax assets nor deferred tax liabilities for the years ending 31 December 2020 or 31 December 2019.

	<u>Y.E. 2020</u> £	<u>Y.E. 2019</u> £
(Loss)/Profit before tax	(16,137,350)	(17,218,741)
Corporation tax at standard rate	(3,066,097)	(3,271,561)
Permanent difference(s) – (allowable expenses added back)/less allowable income	3,066,097	3,271,561
<b>Corporation tax chargeable</b>	-	-

The table below shows the non-trading deficits derived from loan relationships relevant to the Company during the year ended 31<sup>st</sup> December 2020 and the prior year.

	<u>Y.E. 2020</u> £	<u>Y.E. 2019</u> £
Non-trading relationships deficits brought forward	(10,799)	-
Non-trading deficits for current period	(9,352)	(10,799)
Non-trading relationships deficits carried forward	<b><u>(20,151)</u></b>	<b><u>(10,799)</u></b>

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK of 19% (2019: higher than 19%).

**Factors that may affect future total tax charges**

Following the March 2021 budget, the corporate tax rate will increase from 19% to 25% with effect from April 2025. The deferred tax balance at 31 December 2020 has been calculated based on the rate substantively enacted at the balance sheet date of 19%.

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. Fixed asset investments**

	<b>Shares in group undertakings (Restated) €</b>
<b>Cost or valuation</b>	
At 1 January 2019	60,202,779
Loans drawn down in year	1,306,000
Loan repayments received in year	(1,313,142)
Compounded interest in year	3,898,948
Fair value loss on investment	<u>(17,189,935)</u>
At 31 December 2019	<u>46,904,650</u>

The prior year movement schedule above has been restated to present the movements in investments on a gross basis, compared to a net basis in previous years. No changes were made to the opening or closing balances.

	<b>Shares in group undertakings €</b>
<b>Cost or valuation</b>	
At 1 January 2020	46,904,650
Loans drawn down in year	7,700,000
Compounded interest in year	4,377,039
Interest repayments received in year	(280,000)
Fair value loss on investment	<u>(15,979,592)</u>
At 31 December 2020	<u>42,722,097</u>

<b>As at 31 December 2019</b>	Type	Total Committed €	Current Cost €	Fair Value €
Deutsche Bioenergie Verbinder GmbH	Shares	27,500	27,500	-
	Capital			
Deutsche Bioenergie Verbinder GmbH	Contribution	6,300,000	6,300,000	-
Deutsche Bioenergie Verbinder GmbH	Loan Notes	<u>56,572,770</u>	<u>56,572,770</u>	<u>43,135,614</u>
		62,900,270	62,900,270	43,135,614

<b>As at 31 December 2020</b>	Type	Total Committed €	Current Cost €	Fair Value €
Deutsche Bioenergie Verbinder GmbH	Shares	27,500	27,500	-
	Capital			
Deutsche Bioenergie Verbinder GmbH	Contribution	6,300,000	6,300,000	-
Deutsche Bioenergie Verbinder GmbH	Loan Notes	<u>64,272,770</u>	<u>64,272,770</u>	<u>42,711,851</u>
		70,600,270	70,600,270	42,711,851

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. Fixed asset investments – continued**

Investments are valued using a discounted cash flow (DCF) methodology. A broad range of assumptions are used in the valuation models, these assumptions are based on long-term forecasts and are not materially affected by short term fluctuations in inputs, be it economic or technical. The Company consider the valuation methodology used, including the key assumptions and discount rate applied, to be realistic and appropriate. The inputs vary by technology however some the key items which feed into the valuations for the Company's investments are discount rate, energy generation (be it electricity or gas), electricity and gas prices, operating costs to run the plants, finance costs, taxation and the useful lives of the assets.

Valuation techniques to determine fair values

Specific valuation techniques used to value underlying investments include:

- Investments are valued using discounted cash flow analysis
- For the purpose of IFRS reporting, there are no Level 1 or 2 instruments. IFRS standards regard the significant inputs in this valuation methodology to be within Level 3, which considers instruments that are neither traded in active markets with a quoted market price nor based on observable market data.
- Assumptions on future market pricing (for example, gas and power prices) are aligned to market standard practice and are received from external, specialist consultants
- Revenues derived in foreign currencies are translated to GBP using forward market rates.
- Where applicable, operational costs are aligned to contracts in place with future uncontracted pricing derived from current market information (for example, recent tender processes across similar assets)
- Discount rates are calibrated to market and available information from transactions of similar assets. For this entity, discount rates applied were between a range of 6% and 11%. Underlying assumptions taken for growth rates ranged between 0.5% and 3%

The Company owns 100% of the share capital in Deutsche Bioenergie Verbinder GmbH. The loan attracts interest at 7%. The registered address for Deutsche Bioenergie Verbinder GmbH is Walther-Nemst-Str 1, 12489 Berlin, Germany.

**7. Cash and cash equivalents**

	31.12.20	31.12.19
	€	€
Cash and cash equivalents	<u>162,611</u>	<u>18,941</u>

**8. Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	31.12.20	31.12.19
			€	€
1	Ordinary Shares	0.01	<u>-</u>	<u>-</u>

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Reserves**

	<b>Accumulated losses €</b>	<b>Other reserves €</b>	<b>Totals €</b>
At 1 January 2020	(19,798,962)	6,300,000	(13,498,962)
Deficit for the year	(16,137,350)	-	(16,137,350)
At 31 December 2020	<u>(35,936,312)</u>	<u>6,300,000</u>	<u>(29,636,312)</u>

**10. Creditors: Amounts falling due within one year**

	<b>31.12.20 €</b>	<b>31.12.19 €</b>
Accrued Expenses	48,719	38,473
	<u>48,719</u>	<u>38,473</u>

**11. Creditors: Amounts falling due after more than one year**

An analysis of the maturity of loans is given below:

	<b>31.12.20 €</b>	<b>31.12.19 €</b>
Loan from NatWest Pension Group Fund	64,421,856	56,721,856
Interest payable – NatWest Pension Group	<u>8,050,445</u>	<u>3,662,224</u>

The loan relates to loan notes issued by the parent company, NatWest Group Pension Fund. The loan attracts interest at a rate of 7% and is repayable in 2028.

The interest payable balance is in relation to the interest accrued from the loans the Company has received from its parent company, NatWest Group Pension Fund. The interest accrued on the loan is at a rate of 7% and is repayable in 2028. During the year ended 31 December 2020, €4,387,504 in interest was accrued on the loan, with a cumulative total of €8,050,445 outstanding at year end.

**12. Financial instruments**

	<b>31.12.20 €</b>	<b>31.12.19 €</b>
<b>Financial assets</b>		
Financial assets measured at fair value through the statement of comprehensive profit and loss	34,845,776	43,135,614
Financial assets held at amortised cost	<u>7,866,075</u>	<u>3,769,036</u>
	<u>42,711,851</u>	<u>46,904,650</u>
<b>Financial liabilities</b>		
Financial liabilities held at amortised cost	72,472,301	60,384,080

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Post balance sheet events**

There were no subsequent events requiring disclosure in these financial statements.

**14. Ultimate controlling party – NatWest Group Pension Fund**

The Company is 100% owned by the NatWest Group Pension Fund ("the Fund") which is also its parent company. No beneficiaries of the Fund own, either individually or collectively, more than 10% of the Fund assets. The Fund is incorporated in the United Kingdom.

**15 Standards and interpretations that are not yet effective**

The following IFRSs, IASs and IFRS IC interpretations and amendments have been issued but have not been early adopted by the company:

Effective from 1 January 2021:

Amendments to IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (Phase 2)

Effective from 1 January 2022:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current  
Amendments to IAS 16 – Property, plant and equipment: Proceeds before intended use  
Amendments to IFRS 3 – Reference to Conceptual Framework  
Amendments to IAS 37 – Onerous Contracts – Cost of fulfilling a Contract

Improvements to IFRS 9 – Financial instruments  
Improvements to IFRS 16 – Leases  
Improvements to IFRS 1 – Adoption of International Financial Reporting Standards  
Improvements to IAS 41 – Agriculture

Effective from 1 January 2023:

IFRS 17 – Insurance contracts

Deferred until further notice:

Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture

The adoption of the above standards and amendments are not expected to have a material impact on the company's financial statement.

**16. New and amended standards adopted by the company**

The following standards and amendments effective for the year commencing 1 January 2021 are listed as below:

Amendments made to:

IAS 1 & IAS 8	Definition of material
IFRS 7, IFRS 9 & IAS 39	Interest Rate Benchmark Reform
IFRS 3	Definition of a business

\*IASB issued a Revised Conceptual Framework for Financial Reporting

The new standards and amendments effective for the year commencing 1 January 2021 have no material impact on the financial statements of the company.

**GERMAN BIOGAS HOLDCO LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**17. Related Party Disclosures**

As at 31 December 2020, the Company had a shareholder loan to its subsidiary, Deutsche Bioenergie Verbinder GmbH, in the amount of €72,138,845, with no outstanding interest at year end. The loan bears interest at a rate of 7% per annum.

As at 31 December 2020, the Company's ultimate controlling party, NatWest Group Pension Fund, was owed a total of €72,472,301. The loan attracts interest at a rate of 7% per annum. The loan is considered non-current and is repayable in 2028. The interest accrued on each loan is compounded at quarter end if outstanding. There was no interest outstanding at year end.

**18. Financial risk management**

***Market risk – FOREX***

The Company and its subsidiaries have considered the potential risk relating to foreign exchange rates and due to their being no exposure and no business purpose for using any foreign currency to the Euro, there is deemed to be no significant Foreign exchange risk relevant to this Group. The Directors are sure to consider any significant Foreign exchange risks in future commercial transactions, where relevant.

***Market risk – Interest rate***

The Company's long-term borrowings from its ultimate controlling party, NatWest Pension Group Fund, are all agreed at fixed interest rates for the duration of the loan. The loans attract interest at rates ranging between 4% and 10% and are collectively repayable in 2028. In each contractual agreement between the Company and its ultimate controlling party, the agreed rate is fixed thus mitigating the interest rate risk a variable rate would otherwise present.

***Market risk – security prices***

The Company is an investment entity with a mandate that primarily permits investment in anaerobic digestion plants, alongside providing holding company services to its existing investments and subsidiaries. As such, the Company does not have any investments in any equity securities, nor does it plan to in future, so does not deem this market risk to be significant nor relevant to the Company's operations.

***Credit risk***

The Company's principal activity as an investment entity with a mandate that permits investment in anaerobic digestion plants and providing holding company services thereafter, means there are no other trade receivable arrangements other than interest income receipts from the underlying investments on a quarterly basis. This mitigates the presence of significant credit risk as the receivable amounts are due from direct subsidiaries to the Company with regular appraisals on the performance of these subsidiaries. As a result, the directors see there being no significant credit risk relevant to the Company's operations.

***Liquidity risk***

The Company ensures sufficient funds are available to settle its recurring expenses, such as professional fees, audit fees and bank charges. Due to the nature of being an investment entity, prior to a new investment, the Company coordinates a drawdown from the ultimate controlling party to ensure there is sufficient funds to complete a transaction. In all other cases, repayments to the shareholder are made in respect of the equal amount being received back to the Company from its subsidiaries on a quarterly basis.