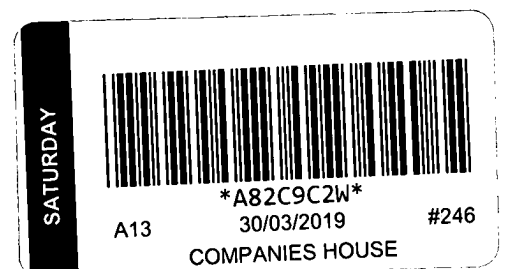


**HORSEWAY ENERGY LTD**

**FILLETED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**



---

## **HORSEWAY ENERGY LTD**

---

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 30 JUNE 2018**

---

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**HORSEWAY ENERGY LTD**  
**REGISTERED NUMBER: 08909433**

**BALANCE SHEET**  
**AS AT 30 JUNE 2018**

	Note	30 June 2018 £	28 February 2017 £
<b>Fixed assets</b>			
Tangible assets	6	2,048,919	2,121,092
		<u>2,048,919</u>	<u>2,121,092</u>
<b>Current assets</b>			
Stocks	7	211,043	95,188
Debtors: amounts falling due within one year	8	209,600	202,222
Cash at bank and in hand	9	232,897	253,944
		<u>653,540</u>	<u>551,354</u>
Creditors: amounts falling due within one year	10	(46,866)	(39,582)
<b>Net current assets</b>		<u>606,674</u>	<u>511,772</u>
<b>Total assets less current liabilities</b>		<u>2,655,593</u>	<u>2,632,864</u>
<b>Provisions for liabilities</b>			
Deferred tax	12	(146,455)	(110,567)
		<u>(146,455)</u>	<u>(110,567)</u>
<b>Net assets</b>		<u><u>2,509,138</u></u>	<u><u>2,522,297</u></u>

---

HORSEWAY ENERGY LTD  
REGISTERED NUMBER: 08909433

---

BALANCE SHEET (CONTINUED)  
AS AT 30 JUNE 2018

---

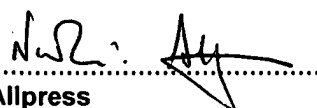
	Note	30 June 2018 £	28 February 2017 £
<b>Capital and reserves</b>			
Called up share capital	13	1,985,000	1,985,000
Share premium account	14	515,000	515,000
Profit and loss account	14	9,138	22,297
		<u>2,509,138</u>	<u>2,522,297</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
.....  
**N L Allpress**  
Director

Date: 27/3/2019

The notes on pages 4 to 13 form part of these financial statements.

---

## HORSEWAY ENERGY LTD

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

---

#### 1. General information

Horseway Energy Ltd is a company incorporated in England and Wales, registration number 08909433. The registered office is Hollyhouse Farm, Horseway, Chatteris, Cambridgeshire, England, PE16 6XQ.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements cover the period from 1 March 2017 to 30 June 2018. The reporting period has changed in order to align the year end with the company's parent company. As such the comparatives shown are not entirely comparable.

The following principal accounting policies have been applied:

##### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

---

## HORSEWAY ENERGY LTD

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

---

#### 2. Accounting policies (continued)

##### 2.4 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Temporary buildings	- 5% straight line
Plant and machinery	- 5-25% straight line
Culture	- 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

---

## HORSEWAY ENERGY LTD

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

---

#### 2. Accounting policies (continued)

##### 2.6 Stocks

Raw materials are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

Work in progress and finished goods are stated at fair value, by reference to material tonnages held at the balance sheet date, multiplied by the estimated selling price less costs to completion.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

---

## HORSEWAY ENERGY LTD

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

---

#### 2. Accounting policies (continued)

##### 2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

##### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 3. Employees

The average monthly number of employees, including directors, during the period was 2 (2017 - 3).



---

**HORSEWAY ENERGY LTD**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

---

**4. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	29	65
	<u>29</u>	<u>65</u>
<b>Total current tax</b>	<u>29</u>	<u>65</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	35,888	44,630
<b>Total deferred tax</b>	<u>35,888</u>	<u>44,630</u>
<b>Taxation on profit on ordinary activities</b>	<u>35,917</u>	<u>44,695</u>

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>203,087</u>	<u>281,964</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	38,587	56,393
<b>Effects of:</b>		
Capital allowances for period/year in excess of depreciation	(9,184)	(19,272)
Fixed asset differences	-	487
Utilisation of tax losses	(29,374)	(37,543)
Origination and reversal of timing differences	35,888	44,630
<b>Total tax charge for the period/year</b>	<u>35,917</u>	<u>44,695</u>

**Factors that may affect future tax charges**

The corporation tax rate from 1 April 2020 will be 17%.

**HORSEWAY ENERGY LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

**5. Dividends**

	<b>30 June 2018 £</b>	<i>28 February 2017 £</i>
<b>Ordinary A</b>		
Dividends paid on equity capital	<b>50,000</b>	<i>50,000</i>
	<b>50,000</b>	<i>50,000</i>
<b>Ordinary B</b>		
Dividends paid on equity capital	<b>130,329</b>	<i>244,780</i>
	<b>180,329</b>	<i>294,780</i>

**6. Tangible fixed assets**

	<b>Temporary buildings £</b>	<b>Plant and machinery £</b>	<b>Culture £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 March 2017	<b>2,400</b>	<b>2,405,869</b>	<b>26,760</b>	<b>2,435,029</b>
Additions	<b>-</b>	<b>123,646</b>	<b>-</b>	<b>123,646</b>
At 30 June 2018	<b>2,400</b>	<b>2,529,515</b>	<b>26,760</b>	<b>2,558,675</b>
<b>Depreciation</b>				
At 1 March 2017	<b>260</b>	<b>302,972</b>	<b>10,704</b>	<b>313,936</b>
Charge for the period on owned assets	<b>160</b>	<b>188,524</b>	<b>7,136</b>	<b>195,820</b>
At 30 June 2018	<b>420</b>	<b>491,496</b>	<b>17,840</b>	<b>509,756</b>
<b>Net book value</b>				
At 30 June 2018	<b>1,980</b>	<b>2,038,019</b>	<b>8,920</b>	<b>2,048,919</b>
At 28 February 2017	<i>2,140</i>	<i>2,102,896</i>	<i>16,056</i>	<i>2,121,092</i>

---

**HORSEWAY ENERGY LTD**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

---

**7. Stocks**

	<b>30 June 2018 £</b>	<b>28 February 2017 £</b>
Raw materials and consumables	<b>122,880</b>	-
Work in progress (goods to be sold)	<b>84,562</b>	92,448
Finished goods and goods for resale	<b>3,601</b>	2,740
	<b>211,043</b>	<b>95,188</b>

Stock recognised in cost of sales during the period as an expense was £371,092 (2017 - £284,683) .

**8. Debtors**

	<b>30 June 2018 £</b>	<b>28 February 2017 £</b>
Trade debtors	<b>69,409</b>	80,461
Amounts owed by group undertakings	<b>61,452</b>	-
Other debtors	<b>51,791</b>	102,922
Prepayments and accrued income	<b>26,948</b>	18,839
	<b>209,600</b>	<b>202,222</b>

**9. Cash and cash equivalents**

	<b>30 June 2018 £</b>	<b>28 February 2017 £</b>
Cash at bank and in hand	<b>232,897</b>	253,944
	<b>232,897</b>	<b>253,944</b>

---

## HORSEWAY ENERGY LTD

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

---

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

	30 June 2018 £	28 February 2017 £
Trade creditors	16,625	34,482
Amounts owed to group undertakings	11,052	-
Corporation tax	93	170
Accruals and deferred income	19,096	4,930
	<u>46,866</u>	<u>39,582</u>

#### 11. Financial instruments

	30 June 2018 £	28 February 2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	232,897	253,944
Financial assets measured at amortised cost through profit or loss	137,653	183,381
	<u>370,550</u>	<u>437,325</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost through profit or loss	<u>46,773</u>	<u>39,412</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, accruals & deferred income and amounts owed to group undertakings.

---

**HORSEWAY ENERGY LTD**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2018**

---

**12. Deferred taxation**

	2018 £
At beginning of year	(110,567)
Charged to profit or loss	(35,888)
<b>At end of year</b>	<b>(146,455)</b>

The provision for deferred taxation is made up as follows:

	30 June 2018 £	28 February 2017 £
Accelerated capital allowances	(189,345)	(179,254)
Tax losses carried forward	42,890	68,687
	<b>(146,455)</b>	<b>(110,567)</b>

**13. Share capital**

	30 June 2018 £	28 February 2017 £
<b>Allotted, called up and fully paid</b>		
500,000 (2017 - 500,000) Ordinary A shares of £0.01 each	5,000	5,000
2,000,000 (2017 - 2,000,000) Ordinary B shares of £0.99 each	1,980,000	1,980,000
	<b>1,985,000</b>	<b>1,985,000</b>

During the period the company's entire share capital was acquired by Horseway Holdings Ltd, a company incorporated in the United Kingdom.

---

## HORSEWAY ENERGY LTD

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

---

#### 14. Reserves

##### Share premium account

The share premium represents the premium on new issue of equity shares from prior years.

##### Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

#### 15. Capital commitments

At 30 June 2018 the Company had capital commitments as follows:

	30 June 2018 £	28 February 2017 £
Contracted for but not provided in these financial statements	120,378	-
	<u>120,378</u>	<u>-</u>

#### 16. Related party transactions

Transactions with group undertakings are undertaken on commercial terms, amounts owing to and from the parties detailed above are included in notes 8 and 10.

Key management remuneration in the year amounted to £nil (2017 - £nil)

#### 17. Controlling party

The company is a wholly owned subsidiary of Horseway Holdings Ltd, a company incorporated in the United Kingdom and regarded by the Directors as the Ultimate Parent Undertaking. Copies of the consolidated accounts can be obtained from the company's registered office.

#### 18. Auditors' information

The auditors' report on the financial statements for the period ended 30 June 2018 was unqualified.

The audit report was signed on 27/03/2019 by Mark Haydon BA CA (Senior statutory auditor) on behalf of Whiting & Partners.