

Registered number: 09534132

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## WARREN ENERGY LIMITED

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### Directors' Report and Financial Statements

For the Year Ended 31 May 2017

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**WARREN ENERGY LIMITED**

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**Company Information**

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<b>Directors</b>	P Barnes R Black P Lukas
<b>Registered number</b>	09534132
<b>Registered office</b>	10-12 Frederick Sanger Road Guildford Surrey GU2 7YD
<b>Independent auditor</b>	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

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**WARREN ENERGY LIMITED**

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## WARREN ENERGY LIMITED

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### Directors' Report For the Year Ended 31 May 2017

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The directors present their report and the financial statements for the year ended 31 May 2017.

#### Principal activity

The principal activity of the business is the generation and sale of electricity, gas and heat.

#### Business review

The Company recorded earnings before interest, tax, depreciation and amortisation (EBITDA) of £960,994 (14 months ending 31 May 2016: loss of £532,197). These results reflect the ramping towards full capacity of the 2MW anaerobic digestion plant located in Norfolk which the Company owns. Despite still ramping-up at the start of the year ending 31 May 2017, the plant produced 46,287 megawatt hours (MWh) of biomethane (14 months ending 31 May 2016: 1,692 MWh) resulting in turnover of £3,553,981 (14 months ending 31 May 2016: £119,067).

With a full year operating at capacity, the directors expect the Company will report better financial results for the financial year ending 31 May 2018 and beyond.

#### Directors

The directors who served during the year were:

P Barnes  
R Black  
P Hauxwell (resigned 29 November 2017)  
P Lukas

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### Post balance sheet events

Information relating to events since the year end is given in the notes to the financial statements (see Note 21).

#### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12 January 2018 and signed on its behalf.



R Black  
Director

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## **WARREN ENERGY LIMITED**

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### **Directors' Responsibilities Statement For the Year Ended 31 May 2017**

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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.

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## **WARREN ENERGY LIMITED**

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### **Independent Auditor's Report to the Shareholders of Warren Energy Limited**

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We have audited the financial statements of Warren Energy Limited for the year ended 31 May 2017 which comprise the statement of income and retained earnings, the balance sheet and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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**WARREN ENERGY LIMITED**

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**Independent Auditor's Report to the Shareholders of Warren Energy Limited (continued)**

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**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies' regime and to the exemption from the requirement to prepare a Strategic Report.

BDO LLP

Nick Poulter (Senior Statutory Auditor)

for and on behalf of  
**BDO LLP, statutory auditor**

31 Chertsey Street  
Guildford  
Surrey  
GU1 4HD

Date: 15 January 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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**WARREN ENERGY LIMITED**

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**Statement of Income and Retained Earnings  
For the Year Ended 31 May 2017**

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	Note	12 months ended 31 May 2017 £	14 months ended 31 May 2016 £
Turnover	3	3,553,981	119,067
Cost of sales		(2,628,899)	(461,994)
<b>Gross profit/(loss)</b>		<b>925,082</b>	<b>(342,927)</b>
Administrative expenses		(498,478)	(231,948)
Other operating income	4	7,469	-
Other operating charges		(7,469)	-
<b>Operating profit/(loss)</b>	5	<b>426,604</b>	<b>(574,875)</b>
Interest receivable and similar income		10	-
Interest payable and expenses		(1,294,451)	(962,038)
Other finance income/(expenses)		10,525	(9,019)
<b>Loss before tax</b>		<b>(857,312)</b>	<b>(1,545,932)</b>
<b>Loss after tax</b>		<b>(857,312)</b>	<b>(1,545,932)</b>
Retained earnings at the beginning of the year/period		(1,545,932)	-
		(1,545,932)	-
Loss for the year/period		(857,312)	(1,545,932)
<b>Retained earnings at the end of the year/period</b>		<b>(2,403,244)</b>	<b>(1,545,932)</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 7 to 20 form part of these financial statements.

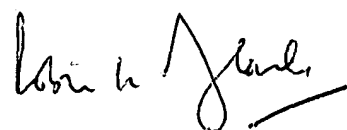
**WARREN ENERGY LIMITED**  
Registered number: 09534132

**Balance Sheet**  
**As at 31 May 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	9	10,449,943	10,525,482
Investments	10	7,500	-
		<u>10,457,443</u>	<u>10,525,482</u>
<b>Current assets</b>			
Stocks	11	165,469	289,882
Debtors: amounts falling due within one year	12	1,337,069	623,717
Cash at bank and in hand	13	271,480	484,250
		<u>1,774,018</u>	<u>1,397,849</u>
Creditors: amounts falling due within one year	14	(1,523,272)	(1,338,627)
<b>Net current assets</b>		<u>250,746</u>	<u>59,222</u>
<b>Total assets less current liabilities</b>		<u>10,708,189</u>	<u>10,584,704</u>
Creditors: amounts falling due after more than one year	15	(9,611,434)	(8,630,637)
<b>Net assets</b>		<u><u>1,096,755</u></u>	<u><u>1,954,067</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	35,000	35,000
Share premium account		3,464,999	3,464,999
Profit and loss account		(2,403,244)	(1,545,932)
		<u><u>1,096,755</u></u>	<u><u>1,954,067</u></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 were approved and authorised for issue by the board and were signed on its behalf on 12 January 2018.



**R Black**  
Director

The notes on pages 7 to 20 form part of these financial statements.

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## WARREN ENERGY LIMITED

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### Notes to the Financial Statements For the Year Ended 31 May 2017

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#### 1. General information

Warren Energy Limited is a limited liability company incorporated in England and Wales under the Companies Act 2006. The registered office is 10-12 Frederick Sanger Road, Guildford, Surrey, GU2 7YD.

#### 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 date of transition to FRS 102 was 9 April 2015. The last set of financial statements which were prepared under the previous UK GAAP framework were for the period ended 31 May 2016. Information on the impact of first time adoption of Section 1A of FRS 102 is given in note 23.

##### 2.2 Going concern

Following the refinancing of the Company's loan facilities on 28 September 2017 (see Note 21), the directors, having made appropriate enquiries, are satisfied that the Company has adequate resources to continue trading for the foreseeable future.

##### 2.3 Turnover

Turnover comprises revenue recognised by the Company in respect of the generation of electricity, gas and heat. Turnover is recognised on a monthly basis as output is transferred.

##### 2.4 Other operating income

Other operating income comprises income from activities falling outside of that defined in 'Turnover' (see Note 2.3) e.g. ad hoc sales of excess feedstock.

##### 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.

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## WARREN ENERGY LIMITED

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### Notes to the Financial Statements For the Year Ended 31 May 2017

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- Over 20 years for all assets other than major components with a shorter useful economic life, as detailed below
Plant and machinery - engines	- Over 120,000 running hours
Plant and machinery - mixers	- Over 2 years
Motor vehicles	- Over 4 years
Office equipment	- Over 4 years

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 Income and Retained Earnings.

##### 2.6 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period.

##### 2.7 Stocks

Stocks represent costs of energy crops for use as a feedstock in biogas generation, and spare parts held for use on site. All stocks are valued at the lower of cost and net realisable value.

##### 2.8 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.

##### 2.9 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.

##### 2.10 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a

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## WARREN ENERGY LIMITED

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### Notes to the Financial Statements For the Year Ended 31 May 2017

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## 2. Accounting policies (continued)

### 2.10 Financial instruments (continued)

financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably.

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 Income and Retained Earnings.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

### 2.11 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.

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## WARREN ENERGY LIMITED

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### Notes to the Financial Statements For the Year Ended 31 May 2017

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#### 2. Accounting policies (continued)

##### 2.12 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

##### 2.13 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

##### 2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

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## WARREN ENERGY LIMITED

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### Notes to the Financial Statements For the Year Ended 31 May 2017

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#### 2. Accounting policies (continued)

##### 2.16 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### 3. Turnover

All turnover arose within the United Kingdom.

#### 4. Other operating income

	<b>12 months ended 31 May 2017 £</b>	<b>14 months ended 31 May 2016 £</b>
Other operating income	<b>7,469</b>	-
	<b>7,469</b>	-

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**5. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	<b>12 months ended 31 May 2017 £</b>	<b>14 months ended 31 May 2016 £</b>
Depreciation of tangible fixed assets	534,390	42,678
Exchange differences	<u>(46,538)</u>	<u>(72,119)</u>

**6. Auditor's remuneration**

	<b>12 months ended 31 May 2017 £</b>	<b>14 months ended 31 May 2016 £</b>
Fees payable to the Company's auditor for the audit of the Company's financial statements	<u>9,350</u>	<u>6,000</u>
<b>Fees payable to the Company's auditor in respect of:</b>		
Other services relating to taxation	<u>1,560</u>	<u>1,350</u>
	<u><b>1,560</b></u>	<u><b>1,350</b></u>

**7. Employees**

The Company has no employees (2016 - nil). The directors receive no remuneration (2016 - £nil).

**8. Taxation**

	<b>12 months ended 31 May 2017 £</b>	<b>14 months ended 31 May 2016 £</b>
<b>Total current tax</b>	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19.83% (2016 - 20%).

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**8. Taxation (continued)**

**Factors that may affect future tax charges**

The Company has taxable losses of £3,950,239 (2016: £3,428,593) which are to be carried forward and used against trading profits in future years.

Whilst the directors expect the Company to be profitable in future, given it has incurred losses in previous periods, they acknowledge that there is an element of uncertainty as to whether future revenues will exceed costs to generate sufficient recurring profits to warrant the recognition of an asset. Accordingly, a deferred tax asset, net of deferred tax liabilities, of £408,563 (2016: £276,317) has not been recognised.

**9. Tangible fixed assets**

	Freehold land £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
At 1 June 2016	732,231	9,822,766	12,000	1,164	10,568,161
Additions	-	458,669	-	180	458,849
At 31 May 2017	<u>732,231</u>	<u>10,281,435</u>	<u>12,000</u>	<u>1,344</u>	<u>11,027,010</u>
<b>Depreciation</b>					
At 1 June 2016	-	42,458	200	19	42,677
Charge for the year on owned assets	-	533,859	480	51	534,390
At 31 May 2017	<u>-</u>	<u>576,317</u>	<u>680</u>	<u>70</u>	<u>577,067</u>
<b>Net book value</b>					
At 31 May 2017	<u>732,231</u>	<u>9,705,118</u>	<u>11,320</u>	<u>1,274</u>	<u>10,449,943</u>
At 31 May 2016	<u>732,231</u>	<u>9,780,307</u>	<u>11,800</u>	<u>1,144</u>	<u>10,525,482</u>

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**10. Fixed asset investments**

	<b>Other fixed asset investments £</b>
<b>Valuation</b>	
Additions	7,500
At 31 May 2017	<u>7,500</u>
<b>Net book value</b>	
At 31 May 2017	<u>7,500</u>
At 31 May 2016	<u>-</u>

**11. Stocks**

	<b>2017 £</b>	<b>2016 £</b>
Feedstock	165,469	286,551
Spare parts	-	3,331
	<u>165,469</u>	<u>289,882</u>

**12. Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	40,511	26,005
Other debtors	34,242	183,439
Prepayments and accrued income	1,260,810	414,273
Financial instruments	1,506	-
	<u>1,337,069</u>	<u>623,717</u>

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**13. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	271,480	484,250
	<u>271,480</u>	<u>484,250</u>

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

	2017 £	2016 £
Trade creditors	921,234	946,010
Other creditors	1,932	160,522
Accruals and deferred income	600,106	223,076
Financial instruments	-	9,019
	<u>1,523,272</u>	<u>1,338,627</u>

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

	2017 £	2016 £
Term loan	7,754,188	7,436,017
Loan from parent company	1,857,246	1,194,620
	<u>9,611,434</u>	<u>8,630,637</u>

**Secured loans**

The term loan is secured by a debenture over the property and assets of the Company, and is repayable on 17 July 2020. Interest is payable at a rate of 12% per annum.

The loan from the parent company is unsecured and repayable on 31 July 2020. Interest is payable at a rate of 14% per annum.

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**16. Loans**

Analysis of the maturity of loans is given below:

	2017 £	2016 £
<b>Amounts falling due 2-5 years</b>		
Term loan	7,754,188	7,436,017
Loan from parent company	1,857,246	1,194,620
	<u>9,611,434</u>	<u>8,630,637</u>
	<u>9,611,434</u>	<u>8,630,637</u>

**17. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	1,506	-
	<u>1,506</u>	<u>-</u>
<b>Financial liabilities</b>		
Derivative financial instruments measured at fair value through profit or loss	-	(9,019)
	<u>-</u>	<u>(9,019)</u>

Financial assets and derivative financial liabilities measured at fair value through profit or loss comprise foreign exchange trade derivatives.

**18. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
3,500,000 Ordinary shares of £0.01 each	35,000	35,000
	<u>35,000</u>	<u>35,000</u>

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**19. Other financial commitments**

As at 31 May 2017, the Company had entered into contracts to purchase crops with financial commitments estimated as follows:

	2017 minimum £	2017 maximum £	2016 minimum £	2016 maximum £
<b>Contract ending:</b>				
31 July 2022	2,628,000	2,628,000	-	-
31 March 2025	4,830,000	5,903,000	5,470,000	6,685,000
	<u>7,458,000</u>	<u>8,531,000</u>	<u>5,470,000</u>	<u>6,685,000</u>

The Company expects to use all crop purchased under these contracts as feedstock in its anaerobic digestion plant.

**20. Related party transactions**

During the year and the prior period, transactions with the following related parties occurred:

Future Biogas Limited	- P Lukas and P Hauxwell are directors; P Lukas is a shareholder
Future Biogas Systems Limited	- P Lukas and P Hauxwell are directors
Lapwing Farming Limited	- P Lukas and P Hauxwell are directors; P Lukas is a shareholder
Longhedge Renewables Limited	- P Lukas is a director; R Black was a director during the year
Redstow Renewables Limited	- P Lukas is a director
Warren Power Limited	- 100% shareholder in Warren Energy Limited; P Barnes, R Black and P Lukas are directors; P Hauxwell was a director during the year
Vulcan Renewables Limited	- P Lukas was a director during the year
Amersham Investment Management Ltd	- P Barnes is a director
N von Groote-Lukas	- Wife of P Lukas (who is a director)

All material transactions with the above are deemed to have been concluded under normal market conditions.

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## WARREN ENERGY LIMITED

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### Notes to the Financial Statements For the Year Ended 31 May 2017

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#### 21. Post balance sheet events

On 28 September 2017, the Company repaid the Term loan for which a liability of £7,754,188 is reflected as at 31 May 2017 (see Note 16). Interest was payable at 12.0% per annum on the Term loan. A repayment fee of £498,540 and legal costs of £24,012 were incurred for repaying the Term loan early. On the same date, the Company entered into a secured loan providing £7,900,000 (on which interest is payable at the higher of 9.5% or 7.0% above the Bank of England's base rate) and £1,300,000 (on which interest is payable at the higher of 12.0% or 9.5% above the Bank of England's base rate). The secured loan incurred arrangement fees totalling £110,090 which will be amortised through to its repayment date of 27 September 2019.

On 28 November 2017, the Company entered into an agreement that enabled up to £3,950,000 of the secured loan entered into on 28 September 2017 to be replaced with up to £3,950,000 fixed rate secured bonds of £1 each ("the bonds"). The bonds bear interest at 6.75% and are repayable on 28 September 2019 (although they can be redeemed by the Company from 28 March 2019 onwards). As part of the agreement, the Company will pay Downing LLP a monitoring fee of 2.5% per annum of the aggregate principal amount of the bonds issued for the first year following issuance and 3.25% per annum thereafter until the repayment date. Under the agreement, £1,833,448 of the bonds were issued on 28 November 2017.

#### 22. Controlling party

The company is wholly owned by Warren Power Limited, a company registered in England and Wales.

There is no one ultimate controlling party.

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**23. First time adoption of FRS 102**

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 December 2014. The impact of the transition to FRS 102 is as follows:

		<i>As previously stated 31 May 2016 £</i>	<i>Effect of transition 31 May 2016 £</i>	<b>FRS 102 (as restated) 31 May 2016 £</b>
	<b>Note</b>			
Fixed assets		10,525,483	-	10,525,483
Current assets		1,397,849	-	1,397,849
Creditors: amounts falling due within one year	1	(1,329,609)	(9,019)	(1,338,628)
<b>Net current assets</b>		<u>68,240</u>	<u>(9,019)</u>	<u>59,221</u>
<b>Total assets less current liabilities</b>		10,593,723	(9,019)	10,584,704
Creditors: amounts falling due after more than one year		(8,630,637)	-	(8,630,637)
<b>Net assets</b>		<u>1,963,086</u>	<u>(9,019)</u>	<u>1,954,067</u>
Capital and reserves		<u>1,963,086</u>	<u>(9,019)</u>	<u>1,954,067</u>

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**WARREN ENERGY LIMITED**

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**Notes to the Financial Statements  
For the Year Ended 31 May 2017**

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**23. First time adoption of FRS 102 (continued)**

	Note	As previously stated 31 May 2016 £	Effect of transition 31 May 2016 £	FRS 102 (as restated) 31 May 2016 £
Turnover		119,067	-	119,067
Cost of sales		(461,994)	-	(461,994)
<b>Gross loss</b>		<b>(342,927)</b>	<b>-</b>	<b>(342,927)</b>
Administrative expenses		(231,948)	-	(231,948)
<b>Operating profit</b>		<b>(574,875)</b>	<b>-</b>	<b>(574,875)</b>
Interest payable and similar charges		(962,038)	-	(962,038)
Other finance costs	1	-	(9,019)	(9,019)
<b>Loss on ordinary activities after taxation and for the financial period</b>		<b>(1,536,913)</b>	<b>(9,019)</b>	<b>(1,545,932)</b>

Explanation of changes to previously reported profit and equity:

1 Recognition of loss on foreign exchange trade derivative.