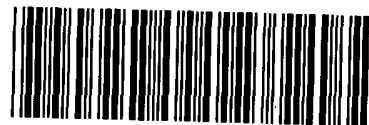

WARREN ENERGY LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 May 2018

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WARREN ENERGY LIMITED

Company Information

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

WARREN ENERGY LIMITED

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WARREN ENERGY LIMITED

Directors' Report For the Year Ended 31 May 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

Principal activity

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

Business review

Turnover increased 10.6% to average £327,680 per month (2017: £296,165 per month). This was largely driven by increased tariffs and export prices.

Due to increased feedstock losses and one-off maintenance, earnings before interest, tax and depreciation (EBITDA) reduced to £725,958 (2017: £935,771).

The directors expect the Company's performance to improve in future years as the current year's levels of feedstock losses and maintenance costs are not expected to continue going forwards.

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.

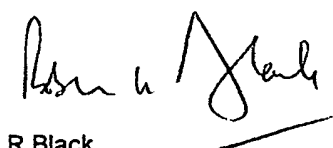
Post balance sheet events

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 5 February 2019 and signed on its behalf.



R Black
Director

WARREN ENERGY LIMITED

Directors' Responsibilities Statement For the Year Ended 31 May 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.

WARREN ENERGY LIMITED

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

Opinion

We have audited the financial statements of Warren Energy Limited (the 'Company') for the year ended 31 May 2018, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the Company's long term liabilities are due for repayment in September 2019 and alternative financing arrangements have not yet been agreed. As stated in note 2.2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

WARREN ENERGY LIMITED

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

Opinion on other matters 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 the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 in relation to which 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

WARREN ENERGY LIMITED

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

Use of our report

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.

BDO LLP

Nick Poulter (Senior Statutory Auditor)

for and on behalf of

BDO LLP, statutory auditor

31 Chertsey Street

Guildford

Surrey

GU1 4HD

Date: 6/2/2019

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

WARREN ENERGY LIMITED

**Statement of Income and Retained Earnings
For the Year Ended 31 May 2018**

	Note	2018 £	2017 £
Turnover	3	3,932,160	3,553,981
Cost of sales		(3,178,394)	(2,628,899)
Gross profit		753,766	925,082
Administrative expenses		(546,512)	(498,478)
Other operating income	4	49,969	7,469
Other operating charges		(78,778)	(7,469)
Operating profit	5	178,445	426,604
Interest receivable and similar income		2,247	10
Interest payable and expenses		(1,866,093)	(1,294,451)
Other finance income/(expenses)		(1,506)	10,525
Loss before tax		(1,686,907)	(857,312)
Loss after tax		(1,686,907)	(857,312)
Retained earnings at the beginning of the year		(2,403,244)	(1,545,932)
		(2,403,244)	(1,545,932)
Loss for the year		(1,686,907)	(857,312)
Retained earnings at the end of the year		(4,090,151)	(2,403,244)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 18 form part of these financial statements.

WARREN ENERGY LIMITED
Registered number: 09534132

Balance Sheet
As at 31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	10,080,689	10,449,945
Investments	10	7,500	7,500
		<u>10,088,189</u>	<u>10,457,445</u>
Current assets			
Stocks	11	432,970	165,469
Debtors: amounts falling due within one year	12	1,810,550	1,337,069
Cash at bank and in hand	13	148,244	271,480
		<u>2,391,764</u>	<u>1,774,018</u>
Creditors: amounts falling due within one year	14	(1,866,452)	(1,523,274)
Net current assets		<u>525,312</u>	<u>250,744</u>
Total assets less current liabilities		<u>10,613,501</u>	<u>10,708,189</u>
Creditors: amounts falling due after more than one year	15	(11,203,653)	(9,611,434)
Net (liabilities)/assets		<u>(590,152)</u>	<u>1,096,755</u>
Capital and reserves			
Called up share capital	18	35,000	35,000
Share premium account		3,464,999	3,464,999
Profit and loss account		(4,090,151)	(2,403,244)
		<u>(590,152)</u>	<u>1,096,755</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 5 February 2019.



R Black
Director

The notes on pages 8 to 18 form part of these financial statements.

WARREN ENERGY LIMITED

Notes to the Financial Statements For the Year Ended 31 May 2018

1. General information

Warren Energy Limited is a limited liability company incorporated in England and Wales under the Companies Act. 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.

2.2 Going concern

The directors acknowledge that there are £9m of loan balances included in long term liabilities that are due to be repaid in September 2019 which is less than one year from the date of the financial statements being approved. The directors anticipate the loans will be refinanced on better terms before they become due for repayment, but acknowledge that at present, there is no agreement in place. As a result, the directors acknowledge that there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

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.

WARREN ENERGY LIMITED

Notes to the Financial Statements For the Year Ended 31 May 2018

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
Computer 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

WARREN ENERGY LIMITED

Notes to the Financial Statements For the Year Ended 31 May 2018

2. Accounting policies (continued)

2.10 Financial instruments (continued)

to be paid or received. However, if the arrangements of a short-term instrument constitute a 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.

WARREN ENERGY LIMITED

Notes to the Financial Statements For the Year Ended 31 May 2018

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.

WARREN ENERGY LIMITED

Notes to the Financial Statements For the Year Ended 31 May 2018

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

	2018 £	2017 £
Other operating income	49,969	7,469
	<u>49,969</u>	<u>7,469</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	(108)	(46,538)
	<u>(108)</u>	<u>(46,538)</u>

WARREN ENERGY LIMITED

Notes to the Financial Statements
For the Year Ended 31 May 2018

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	10,455	9,350
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	1,750	1,560
	1,750	1,560

7. Employees

The Company has no employees other than its directors (2017 - nil). The directors receive no remuneration (2017 - £nil).

8. Taxation

	2018 £	2017 £
Total current tax	-	-

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% (2017 - 19.83%).

Factors that may affect future tax charges

The Company has taxable losses of £7,402,460 (2017: £5,205,252) 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 £689,958 (2017: £408,563) has not been recognised.

WARREN ENERGY LIMITED

**Notes to the Financial Statements
For the Year Ended 31 May 2018**

9. Tangible fixed assets

	Freehold land £	Plant and machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 June 2017	732,231	10,281,435	12,000	1,344	-	11,027,010
Additions	-	158,945	-	-	19,315	178,260
At 31 May 2018	<u>732,231</u>	<u>10,440,380</u>	<u>12,000</u>	<u>1,344</u>	<u>19,315</u>	<u>11,205,270</u>
Depreciation						
At 1 June 2017	-	576,317	680	70	-	577,067
Charge for the year on owned assets	-	539,742	3,000	336	4,436	547,514
At 31 May 2018	<u>-</u>	<u>1,116,059</u>	<u>3,680</u>	<u>406</u>	<u>4,436</u>	<u>1,124,581</u>
Net book value						
At 31 May 2018	<u>732,231</u>	<u>9,324,321</u>	<u>8,320</u>	<u>938</u>	<u>14,879</u>	<u>10,080,689</u>
At 31 May 2017	<u>732,231</u>	<u>9,705,118</u>	<u>11,320</u>	<u>1,274</u>	<u>-</u>	<u>10,449,943</u>

10. Fixed asset investments

	Other fixed asset investments £
Valuation	
At 1 June 2017	7,500
At 31 May 2018	<u>7,500</u>

WARREN ENERGY LIMITED

**Notes to the Financial Statements
For the Year Ended 31 May 2018**

11. Stocks

	2018 £	2017 £
Feedstock	432,970	165,469
	<u>432,970</u>	<u>165,469</u>

12. Debtors

	2018 £	2017 £
Trade debtors	79,522	40,511
Other debtors	31,771	34,242
Prepayments and accrued income	1,699,257	1,260,810
Financial instruments	-	1,506
	<u>1,810,550</u>	<u>1,337,069</u>

13. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	148,244	271,480
	<u>148,244</u>	<u>271,480</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	928,257	921,234
Other creditors	-	1,932
Accruals and deferred income	938,195	600,108
	<u>1,866,452</u>	<u>1,523,274</u>

WARREN ENERGY LIMITED

**Notes to the Financial Statements
For the Year Ended 31 May 2018**

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

	2018 £	2017 £
Bonds	3,929,570	-
Term loans	5,167,568	7,754,188
Loan from parent company	2,106,515	1,857,246
	<u>11,203,653</u>	<u>9,611,434</u>

Secured loans

The bonds are secured by a debenture over the property and assets of the Company, and are repayable on 28 September 2019. Interest is payable at a rate of 6.75% per annum.

The term loans are secured by a debenture over the property and assets of the Company, and are repayable on 28 September 2019. Interest is payable at rates of between 9.5% and 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.

16. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due 1-2 years		
Bonds	3,929,570	-
Term loans	5,167,568	-
	<u>9,097,138</u>	<u>-</u>
Amounts falling due 2-5 years		
Term loan	-	7,754,188
Loan from parent company	2,106,515	1,857,246
	<u>2,106,515</u>	<u>9,611,434</u>
	<u>11,203,653</u>	<u>9,611,434</u>

WARREN ENERGY LIMITED

**Notes to the Financial Statements
For the Year Ended 31 May 2018**

17. Financial instruments

	2018	2017
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	<u>-</u>	<u>1,506</u>

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

18. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
3,500,000 Ordinary shares shares of £0.01 each	<u>35,000</u>	<u>35,000</u>

19. Other financial commitments

As at 31 May 2018, the Company had entered into contracts to purchase crops with financial commitments estimated as follows:

	2018	2018	2017	2017
	minimum	maximum	minimum	maximum
	£	£	£	£
31 July 2022	2,628,000	2,628,000	2,628,000	2,628,000
31 March 2025	4,162,000	5,087,000	4,830,000	5,903,000
	<u>6,790,000</u>	<u>7,715,000</u>	<u>7,458,000</u>	<u>8,531,000</u>

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

Subsequent to the year end, the contract ending on 31 March 2025 was terminated as detailed in Note 21.

WARREN ENERGY LIMITED

Notes to the Financial Statements For the Year Ended 31 May 2018

20. Related party transactions

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

Future Biogas Limited	- P Lukas, P Hauxwell and R Black are directors; P Lukas is a shareholder
Future Biogas Systems Limited	- P Lukas and P Hauxwell are directors
Lapwing Farming Limited	- P Lukas is a director and shareholder; P Hauxwell was a director during the year
Longhedge Renewables Limited	- P Lukas is a director; R Black was a director during the year
Redslow 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 Barnes is a shareholder; P Hauxwell was a director during the year
Amersham Investment Management Ltd	- P Barnes is a director

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

21. Post balance sheet events

On 7 September 2018, the Company's feedstock agreement with Woodlark Farms was terminated with immediate effect.

On 20 December 2018, the Company entered into a new loan agreement with Future Biogas Limited and Amersham Corporate Development Capital Fund with a facility limit of £600,000. Interest is payable at a rate of 12% per annum, and the loan is repayable in full by 31 May 2020.

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.