

Biomass Energy Renewables LLP
Report and Financial Statements
Registered number: OC412857
For the year ended 30 September 2019

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Biomass Energy Renewables LLP
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Biomass Energy Renewables LLP
Designated Members and Advisers

Manager & Operator	Alpha Real Property Investment Advisers LLP 6th Floor 338 Euston Road London NW1 3BG
LLP registered number	OC412857
Bankers	The Royal Bank of Scotland
Auditors	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Designated Members	Corporate Trading Companies Designated Member Limited (Reg No. 08123041) Corporate Trading Companies Secretaries Limited (Reg No. 05715822)
Registered Office	338 Euston Road London NW1 3BG

Biomass Energy Renewables LLP
Report of the Members
For the year ended 30 September 2019

The Members present the financial statements of Biomass Energy Renewables LLP for the year to 30 September 2019. These have been prepared in accordance with the Members Agreement, dated 2 August 2016.

Principal Activities

The LLP was incorporated on 15 July 2016 with the objective to provide limited companies with a trading opportunity in electricity generation through a combined heat and power facility in Acharn, Scotland.

Members' responsibilities statement

The Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, the Members 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 Partnership and of the profit or loss of the Partnership for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 as applicable to limited liability partnerships. The Members are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Members are responsible for the maintenance and integrity of the corporate and financial information included on the Partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. These responsibilities are exercised by the designated Members on behalf of the Members.

United Kingdom exiting the European Union

Biomass Energy Renewables LLP is well placed to deal with the UK's pending departure from the European Union. All of the LLP's assets are UK based and have exposure to a defensive sector with strong fundamentals. The LLP's customers are all UK based.

Coronavirus (COVID-19) outbreak

The LLP is well placed to deal with the uncertainty caused by the current COVID-19 outbreak. Our renewable energy asset is valued at the lower of cost less depreciation and net realisable value. Despite the COVID-19 outbreak causing a fall in energy demand and wholesale electricity prices, we do not foresee the requirement for any impairment to the carrying value because the net realisable value is higher than depreciated cost. The renewable energy asset continue to generate revenue according to its business plan and has the infrastructure in place to operate at full capacity during the 'lockdown' environment. The members continue to assess the impact of Covid-19 to the LLP.

Policy with respect to members' capital

Each Member shall contribute such capital as set out in its Deed of Adherence, by payment to the LLP in cleared immediately available funds. All contributions of capital shall be recorded by the LLP in a Capital Account maintained for the relevant Member. The Capital Account for each Member shall also specify the number of Participations nominally issued to that Member in return for its Capital Contribution. No Member shall be required to contribute additional capital on the insolvency of the LLP.

Policy with respect to members' distributions, members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

No Member shall be entitled to make any drawings from the LLP on account of their share of any profits unless otherwise agreed by the Members by Enhanced Resolution. No drawings shall be made unless the bank account of the LLP contains and/or is reasonably expected to receive funds for this purpose in excess of the amount necessary to meet the current outstanding and expected liabilities of the LLP. If, in any Accounting Reference Period, the aggregate amount drawn by any Member is found to exceed his share of the Profits for that Accounting Reference Period, he shall immediately refund such excess to the LLP together with interest at the rate of 3 per cent. per annum above base rate. The Members may determine by Special Resolution to distribute some or all of the profits standing to the credit of any Member's account. Unless such a determination is made, Members shall not be entitled to withdraw any profits allocated to them, and each Member agrees that all profits of the LLP allocated to it shall be available to the LLP to make further investments.

All contributions of capital shall be recorded by the LLP in a Capital Account maintained for the relevant Member.

No Member shall be required to contribute additional capital on the insolvency of the LLP.

A Member's Capital Contribution shall be repaid only in the following circumstances:

- if the Members by Enhanced Resolution so agree;
- in accordance with clause 20; or
- on the winding up of the LLP.

Provision of information to auditors

Each of the persons who are designated members at the time when the members' report is approved has confirmed that:

- so far as that designated member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and
- that designated member has taken all the steps that ought to have been taken as a designated member in order to be aware of any information needed by LLP's auditors in connection with preparing their report and to establish that the LLP's auditors are aware of that information.

Designated Members are:

Corporate Trading Companies Designated Member Limited (Reg No. 08123041) Appointed on 15 July 2016

Corporate Trading Companies Secretaries Limited (Reg No. 05715822) Appointed on 15 July 2016

This report was approved by the members on 6 July 2020 and signed on their behalf by


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Edward Mole

For and on behalf of Corporate Trading Companies Designated Member Limited

Independent Auditor's Report to the Members of Biomass Energy Renewables LLP

Opinion

We have audited the financial statements of Biomass Energy Renewables LLP (the 'LLP') for the year ended 30 September 2019 which comprise the Profit and Loss Account, the Balance Sheet and notes to the financial statements, 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 FRS 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 LLP's affairs as at 30 September 2019 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 as applied to limited liability partnerships.

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 LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the LLP financial statements, which is not modified, we draw your attention to the members' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 7 and non- adjusting post balance sheet events on page 9.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the LLP's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members 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.

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

Independent Auditor's Report to the Members of Biomass Energy Renewables LLP Continued

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships 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 members' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime and take advantage of the exemptions in preparing the Members' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Members

As explained more fully in the members' responsibilities statement set out on page 2, the members 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 members 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 members are responsible for assessing the LLP'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 members either intend to liquidate the LLP 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.

Use of the audit report

This report is made solely to the LLP's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body for our audit work, for this report, or for the opinions we have formed.


Stephen Eames (Jul 8, 2020 16:02 GMT+1)

Stephen Eames (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 08-Jul-2020

Biomass Energy Renewables LLP
Profit and Loss Account
For the year ended 30 September 2019
Reg No: OC412857

	Notes	Year ended 30 September 2019	Year ended 30 September 2018
		£	£
TURNOVER		-	-
EXPENSES		(529,958)	(452,863)
OPERATING LOSS	2	(529,958)	(452,863)
Interest receivable		-	-
Foreign exchange gain		5,571	23,870
LOSS ON ORDINARY ACTIVITIES BEFORE TAX		(524,387)	(428,993)
Tax on loss on ordinary activities		-	-
LOSS AFTER TAX		(524,387)	(428,993)
RETAINED PROFIT BROUGHT FORWARD		(55,343)	373,650
LOSS FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		(579,730)	(55,343)
Profits distributed to Members		-	-
LOSS FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		(579,730)	(55,343)

All operations are classified as continuing.

The notes on pages 7 to 9 form part of these financial statements.

A statement of other comprehensive income has not been included in accordance with the provisions in Financial Reporting Standard 102 section 1A small entities.

Biomass Energy Renewables LLP
Balance Sheet
As at 30 September 2019
Reg No: OC412857

	Notes	30 September 2019 £	30 September 2018 £
INVESTMENTS	3	<u>205,978</u> 205,978	<u>205,978</u> 205,978
TANGIBLE FIXED ASSETS	4	<u>29,365,586</u> 29,365,586	<u>27,175,821</u> 27,175,821
CURRENT ASSETS			
Debtors	5	285,757	552,021
Cash at bank and in hand		<u>2,732,701</u>	<u>2,162,289</u>
		3,018,458	2,714,310
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(298,545)	(298,245)
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u><u>32,291,477</u></u>	<u><u>29,797,864</u></u>

REPRESENTED BY:

Equity

Members other interests	7	32,871,207	29,853,207
Profit and loss account	7	(579,730)	(55,343)
		<u><u>32,291,477</u></u>	<u><u>29,797,864</u></u>

The financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in accordance with the Financial Reporting Standard 102 Section 1A and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

These financial statements were authorised and approved for issue on 6 July 2020.

by the members of Biomass Energy Renewables LLP on behalf of the Partners.



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Edward Mole

For and on behalf of Corporate Trading Companies Designated Member Limited
Designated Member

The notes on pages 7 to 9 form part of these financial statements.

Biomass Energy Renewables LLP
Notes to the financial statements
For the year ended 30 September 2019

General information

Biomass Energy Renewables LLP is a limited liability partnership incorporated in the United Kingdom. The address of its registered office and principal place of business is 338 Euston Road, London NW1 3BG. The principal activity of the Partnership during the year was the development of a Combined Heat and Power Facility in Scotland.

The functional currency of the Partnership is pounds Sterling as this is the currency of the primary economic environment in which the Partnership operates.

1. Accounting policies

The principal accounting policies are summarised below.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 - Section 1A and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability

The Partnership is itself a subsidiary and is exempt from the requirement to produce group accounts by virtue of section 401 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. These financial statements therefore present information about the entity as an individual undertaking and not about its group. The entity is included in the consolidated accounts of Elm Trading Limited (338 Euston Road, London NW1 3BG), which is the largest and smallest group of undertakings to include this entity in its consolidation. Copies of the financial statements of Elm Trading Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

b) Going Concern

These financial statements have been prepared on a going concern basis. The members have assessed the impact of Covid-19 to the LLP and the members expect the LLP to have adequate funds available from reserves and current trading activities to enable it to continue as a going concern for at least 12 months from the date of signing the financial statements.

c) Cashflow statement

The financial statements do not include a Cash flow statement because the LLP, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard 102 Section 1A.

d) Service fees and annual management charges

A service fee of 1.5% p.a. of Elm Trading Ltd's investment value is charged on a monthly basis through the partnership and deducted from Elm Trading Ltd's share of the partnership income before it is credited to the current accounts. Elm Trading Ltd is member in the Partnership. Annual fees of 1.5% or 2.5% of the partnership capital are charged for all other partners.

e) Turnover

Turnover represents income derived from electricity generation from biomass installation net of VAT.

f) Investments

Investments represent the acquisition of all of the shares in Iron Sky II Ltd. The assets and liabilities of Iron Sky II Ltd were subsequently transferred to the LLP by way of a hive up and inter-company loan.

g) Tangible fixed assets

Tangible fixed assets represent a single biomass installation. It is held at historical cost and will be depreciated once fully operational. No depreciation has been charged in the year.

h) Taxation

The taxation payable on the partnership profits is the personal liability of the members, therefore neither partnership taxation nor related deferred taxation are accounted for in the financial statements.

i) Members' participation rights

Other than those decisions to be determined by the Members by Special Resolution or Enhanced Resolution, all matters to be determined by the LLP or the Members, and any other matter relating to the day-to-day business and affairs of the LLP, shall be determined by the Members by a majority of votes. In respect of each decision or resolution each Member shall have one vote in respect of each Participation held by it.

Unless the Members otherwise agree by Enhanced Resolution, the Profits and Losses of the LLP shall be shared by the Members in proportion to their Participation Percentages and no Member shall be required to contribute additional capital on the insolvency of the LLP.

Biomass Energy Renewables LLP
Notes to the financial statements (continued)
For the year ended 30 September 2019

j) Members remuneration

No remuneration is paid to the members.

k) Foreign currency

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

l) Financial instruments

Financial instruments are included under the provisions of Section 11 'Basic Financial Instruments' of FRS 102. Basic financial instruments, which include trade and other receivables, cash and bank balances and trade and other payables are measured at transaction price including transaction costs.

2. Operating loss

Operating loss is disclosed after charging:

	Year Ended 30 Sept 2019 £	Year Ended 30 Sept 2018 £
Auditor's remuneration	10,550	10,250
Service fees and annual management charges	479,896	412,305

The average number of members during the period to 30 September 2019 was 475 (September 2018: 512).

3. Investments

Cost

	Total £
At 30 September 2018	205,978
At 30 September 2019	205,978

4. Tangible fixed assets

Cost

	Total £
At 30 September 2018	27,175,821
Additions	2,189,765
At 30 September 2019	29,365,586

5. Debtors

	30 Sept 2019 £	30 Sept 2018 £
Other debtors	70,000	70,000
VAT	215,757	482,021
	285,757	552,021

Biomass Energy Renewables LLP
Notes to the financial statements (continued)
For the year ended 30 September 2019

6. Creditors: amounts falling due within one year

	30 Sept 2019 £	30 Sept 2018 £
Accruals	92,567	92,267
Inter company loan - Iron Sky II Ltd	205,978	205,978
	<u>298,545</u>	<u>298,245</u>

7. Reconciliation of members interests

	Members Capital (classified as equity) £	Profit and Loss Account £	Total £
At 30 September 2018	29,853,207	(55,343)	29,797,864
Capital introduced	3,430,000	-	3,430,000
Capital Withdrawn	(412,000)	-	(412,000)
Movement in the period available for division among members	-	(524,387)	(524,387)
Distributions	-	-	-
At 30 September 2019	<u>32,871,207</u>	<u>(579,730)</u>	<u>32,291,477</u>

8. Capital Commitments

	30 Sept 2019 £	30 Sept 2018 £
Capital expenditure contracted for but not provided for in the financial statements	9,519,730	7,971,313

9. Lease commitments

At the reporting end date there were commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 Sept 2019 £	30 Sept 2018 £
Within one year	5,000	5,000
Between one and two years	5,000	5,000
Between two and five years	15,000	15,000
In over five years	155,000	160,000
	<u>180,000</u>	<u>185,000</u>

10. Winding up

In the event of any winding up or dissolution of the LLP (other than in circumstances of insolvency) the net assets of the LLP (or proceeds of the sale of such assets) shall be distributed to members in the proportions of their capital contributions at the date of commencement of any such winding up or dissolution.

11. Controlling party

The LLP is controlled by the designated members as delegated to the management team and as such there is no one controlling party.

12. Related party transactions

During the year service charge fees of £456,662 were paid to the Partnership's parent Elm Trading Ltd (2018: 383,902).

Service charge fees of £23,234 were also paid to Alpha Real Property Investments Advisers LLP (2018: 28,403).

There are no balances outstanding at year end.

13. Subsequent events

Following the year end, in March 2020 the impact of Covid-19 to the United Kingdom was considered to be significant. As this only emerged after the year end, the Members' view is that any future significant changes is considered to be a non-adjusting event in relation to these accounts.

The Members will continue to monitor any impacts of Covid-19 on the LLP, but as at the date of signing the accounts do not believe that there has been any significant impact requiring disclosure. These financial statements do not include any adjustments to assets or liabilities to reflect the potential impact of the pandemic on the LLP's future performance or underlying net asset position.