

Registered number: SC338426

**ENERGEN BIOGAS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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# **ENERGEN BIOGAS LIMITED**

## **COMPANY INFORMATION**

### **Directors**

R Etherson  
G Waddell  
A Brookes  
N Miles (appointed 6 July 2016)  
P Eglinton (resigned 6 July 2016)

### **Registered number**

SC338426

### **Registered office**

16 Charlotte Square  
Edinburgh  
EH2 4DF

### **Independent auditors**

EQ Accountants LLP  
Chartered Accountants & Statutory Auditors  
14 City Quay  
Dundee  
DD1 3JA

**ENERGEN BIOGAS LIMITED**  
**REGISTERED NUMBER: SC338426**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	<u>11,493,055</u>	<u>11,569,671</u>
		<b>11,493,055</b>	<b>11,569,671</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	2,454,082	2,037,159
Cash at bank and in hand	6	<u>2,355,243</u>	<u>1,465,983</u>
		<b>4,809,325</b>	<b>3,503,142</b>
Creditors: amounts falling due within one year	7	<u>(3,694,231)</u>	<u>(3,175,779)</u>
<b>Net current assets</b>		<b>1,115,094</b>	<b>327,363</b>
<b>Total assets less current liabilities</b>		<b>12,608,149</b>	<b>11,897,034</b>
Creditors: amounts falling due after more than one year	8	(9,172,173)	(11,562,505)
<b>Provisions for liabilities</b>			
Deferred tax		<u>(451,656)</u>	<u>(207,575)</u>
		<b>(451,656)</b>	<b>(207,575)</b>
<b>Net assets</b>		<b>2,984,320</b>	<b>126,954</b>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>2,984,220</u>	<u>126,854</u>
		<b>2,984,320</b>	<b>126,954</b>

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

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

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

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

R Etherson  
Director

29/6/17

N Miles  
Director

29/6/17

The notes on pages 2 to 7 form part of these financial statements.

# **ENERGEN BIOGAS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

### **1. General information**

Energen Biogas Limited is a private company, limited by shares, domiciled in Scotland with the registration number SC338426. The registered office is 16 Charlotte Square, Edinburgh, EH2 4DF and the business address is Dunns Wood Road, Wardpark South Industrial Estate, Cumbernauld, G67 3EN.

### **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 following principal accounting policies have been applied:

#### **2.2 Turnover**

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

##### **Sale of goods**

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

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

##### **Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**2. Accounting policies (continued)**

**2.3 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows: .

Depreciation is provided on the following basis:

Plant and machinery	- 3 to 10 years straight line
Site development	- 25 years straight line
Website costs	- 5 years straight line
Work in progress	- not depreciated

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

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

**2.4 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.

**2.5 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.

**2.6 Financial instruments**

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

**2.7 Creditors**

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

**2.8 Finance costs**

Finance costs are charged to the Statement of comprehensive income 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.

**2.9 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**2. Accounting policies (continued)**

**2.10 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

**2.11 Provisions for liabilities**

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**2.12 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of financial position date, except that:

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**
**3. Employees**

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Employee	1	1
Sub-contracted staff	12	8
	<u>13</u>	<u>9</u>

**4. Tangible fixed assets**

	Land £	Plant and machinery £	Site development £	Website costs £	Work in Progress £	Total £
<b>Cost or valuation</b>						
At 1 April 2016	397,653	10,108,915	2,590,249	3,222	2,641,806	15,741,845
Additions	-	160,097	-	-	1,186,211	1,346,308
Transfers between classes	-	2,641,806	-	-	(2,641,806)	-
At 31 March 2017	<u>397,653</u>	<u>12,910,818</u>	<u>2,590,249</u>	<u>3,222</u>	<u>1,186,211</u>	<u>17,088,153</u>
<b>Depreciation</b>						
At 1 April 2016	-	3,618,526	550,426	3,222	-	4,172,174
Charge for the year on owned assets	-	1,317,153	105,771	-	-	1,422,924
At 31 March 2017	<u>-</u>	<u>4,935,679</u>	<u>656,197</u>	<u>3,222</u>	<u>-</u>	<u>5,595,098</u>
<b>Net book value</b>						
At 31 March 2017	<u>397,653</u>	<u>7,975,139</u>	<u>1,934,052</u>	<u>-</u>	<u>1,186,211</u>	<u>11,493,055</u>
At 31 March 2016	<u>397,653</u>	<u>6,490,389</u>	<u>2,039,823</u>	<u>-</u>	<u>2,641,806</u>	<u>11,569,671</u>

**5. Debtors**

	2017 £	2016 £
Trade debtors	793,203	855,670
Prepayments and accrued income	1,660,879	1,181,489
	<u>2,454,082</u>	<u>2,037,159</u>

# ENERGEN BIOGAS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	2,355,243	1,465,983
	<u>2,355,243</u>	<u>1,465,983</u>

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

	2017 £	2016 £
Bank loans	1,578,124	1,578,124
Trade creditors	188,436	372,614
Corporation tax	430,725	-
Other taxation and social security	163,771	125,120
Obligations under finance lease and hire purchase contracts	25,562	-
Other creditors	128,684	102,570
Accruals and deferred income	1,178,929	997,351
	<u>3,694,231</u>	<u>3,175,779</u>

### 8. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	6,727,086	8,500,680
Net obligations under finance leases and hire purchase contracts	43,125	-
Other creditors	1,569,045	2,006,797
Accruals and deferred income	832,917	1,055,028
	<u>9,172,173</u>	<u>11,562,505</u>

#### Secured loans

The Bank loan is repayable by November 2019.

Bank loans and other creditors are secured by a standard security over the land owned by the company and have been provided in favour of Barclays Bank Plc, Renewi Plc (a shareholder) and Paragon Efficiencies Limited (the parent company) in that order of priority. In addition, a bond and floating charge has been issued in the same priority.

The shareholder Renewi Plc, has provided a guarantee on behalf of the company limited to £11,825,000.

Liabilities under finance leases and hire purchase contracts are secured over the assets to which they pertain.



## ENERGEN BIOGAS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 9. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
75,001 A ordinary shares of £0.001 each	75	75
24,999 B ordinary shares of £0.001 each	25	25
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

#### 10. Controlling party

The parent company is Paragon Efficiencies Limited with registered office, 14 City Quay, Dundee, DD1 3JA and the business address is Dunns Wood Road, Wardpark South Industrial Estate, Cumbernauld, G67 3EN.

#### 11. Auditors' information

The financial statements were subject to an audit.

The auditor's report was unqualified and there were no matters to which the auditor drew attention by way of emphasis.

The auditor was EQ Accountants LLP and the senior statutory auditor was Douglas Rae.