Registered number: SC338426

ENERGEN BIOGAS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

COMPANY INFORMATION

Directors	Steven Blase (appointed 30 August 2018) Ross Cooper (appointed 30 August 2018) Robert James Etherson Erez Gissin (appointed 30 August 2018) Alistair Daniel Brookes (resigned 30 August 2018) Neil Rowland Miles (resigned 30 August 2018) Graeme Waddell (resigned 30 August 2018)
Registered number	SC338426
Registered office	Dunswood Road Cumbernauld Glasgow Scotland G67 3EN
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 DECEMBER 2018

			31 December 2018 £		*31 March 2018 £*
Fixed assets					
Tangible assets	4		**9,611,607**		*10,489,441*
			9,611,607		*10,489,441*
Current assets					
Debtors: amounts falling due within one year	5	**2,869,165**		*2,498,517*	
Cash at bank and in hand	6	**3,760,512**		*2,490,064*	
		6,629,677		*4,988,581*	
Creditors: amounts falling due within one year	7	**(2,505,936)**		*(3,726,197)*	
Net current assets			**4,123,741**		*1,262,384*
Total assets less current liabilities			**13,735,348**		*11,751,825*
Creditors: amounts falling due after more than one year	8		**(7,990,131)**		*(7,012,110)*
Provisions for liabilities					
Deferred tax		**(534,960)**		*(565,102)*	
			(534,960)		*(565,102)*
Net assets			**5,210,257**		*4,174,613*
Capital and reserves					
Called up share capital	9		**100**		*100*
Profit and loss account			**5,210,157**		*4,174,513*
			5,210,257		*4,174,613*

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

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 income and retained earnings 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 9 July 2019.

Ross Cooper
Director

Robert James Etherson
Director

The notes on pages 3 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

1. General information

Energen Biogas Limited is a private company, limited by shares, registered in Scotland with the number SC338426. The registered office 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 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue 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 revenue 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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the period in which they are incurred.

2.5 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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 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.

2.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.7 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 PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Land	- not depreciated
Plant and machinery	- 3 to 20 years
Site development	- 3 years
Website costs	- 3 years
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 income and retained earnings.

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 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.

2.11 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 income and retained earnings 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Financial instruments

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

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 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 the 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.

2.13 Dividends

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

3. Employees

The average monthly number of employees, including directors, during the period was 15 *(2018 - 15)*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

4. Tangible fixed assets

	Land	Plant and machinery	Site development	Website costs	Work in progress	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2018	**397,653**	**14,501,237**	**2,590,249**	**3,222**	**57,274**	**17,549,635**
Additions	**-**	**256,937**	**-**	**-**	**12,417**	**269,354**
Transfers between classes	**-**	**57,274**	**-**	**-**	**(57,274)**	**-**
At 31 December 2018	**397,653**	**14,815,448**	**2,590,249**	**3,222**	**12,417**	**17,818,989**
Depreciation						
At 1 April 2018	**-**	**6,297,166**	**759,806**	**3,222**	**-**	**7,060,194**
Charge for the period on owned assets	**-**	**1,069,480**	**77,708**	**-**	**-**	**1,147,188**
At 31 December 2018	**-**	**7,366,646**	**837,514**	**3,222**	**-**	**8,207,382**
Net book value						
At 31 December 2018	**397,653**	**7,448,802**	**1,752,735**	**-**	**12,417**	**9,611,607**
At 31 March 2018	*397,653*	*8,204,071*	*1,830,443*	*-*	*57,274*	*10,489,441*

5. Debtors

	31 December 2018	*31 March 2018*
	£	*£*
Trade debtors	**696,468**	*328,097*
Prepayments and accrued income	**2,172,697**	*2,170,420*
	2,869,165	*2,498,517*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

6. Cash and cash equivalents

	31 December 2018 £	*31 March 2018 £*
Cash at bank and in hand	**3,760,512**	*2,490,064*
	3,760,512	*2,490,064*

7. Creditors: Amounts falling due within one year

	31 December 2018 £	*31 March 2018 £*
Bank loans	**-**	*1,578,124*
Trade creditors	**206,925**	*209,572*
Other taxation and social security	**443,441**	*838,387*
Obligations under finance lease and hire purchase contracts	**49,612**	*52,190*
Other creditors	**1,067,568**	*112,158*
Accruals and deferred income	**738,390**	*935,766*
	2,505,936	*3,726,197*

Secured liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

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

	31 December 2018 £	*31 March 2018 £*
Bank loans	**-**	*4,860,962*
Net obligations under finance leases and hire purchase contracts	**76,308**	*115,297*
Amounts owed to group undertakings	**7,469,601**	-
Other creditors	**-**	*1,425,045*
Accruals and deferred income	**444,222**	*610,806*
	7,990,131	*7,012,110*

Secured liabilities

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

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	31 December 2018 £	*31 March 2018 £*
Repayable other than by instalments	**-**	*1,425,045*
	-	*1,425,045*

9. Share capital

	31 December 2018 £	*31 March 2018 £*
Allotted, called up and fully paid		
50,001 *(2018 - 50,001)* A ordinary shares of £0.001 each	**50.001**	*50.001*
49,999 *(2018 - 49,999)* B ordinary shares of £0.001 each	**49.999**	*49.999*
	100.000	*100.000*

10. Ultimate parent undertaking

The ultimate parent undertaking is Energen Biogas Holdco Ltd with its registered office at 3rd Floor, 86 Brook Street, London, W1K 5AY.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

11. Auditors' information

The auditors' report on the financial statements for the period ended 31 December 2018 was unqualified.

The audit report was signed on 9 July 2019 by Douglas Rae (Senior statutory auditor) on behalf of EQ Accountants LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.