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# **Paragon Efficiencies Limited**

Registered number: SC354580

## **Information for filing with the Registrar**

**For the year ended 31 March 2019**

**PARAGON EFFICIENCIES LIMITED**  
**REGISTERED NUMBER: SC354580**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	5	1,507,535	1,507,535
		<u>1,507,535</u>	<u>1,507,535</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	-	175,045
Debtors: amounts falling due within one year	6	981,390	-
Bank and cash balances		-	811,092
		<u>981,390</u>	<u>986,137</u>
Creditors: amounts falling due within one year	7	(6,049)	(14,577)
<b>Net current assets</b>		<u>975,341</u>	<u>971,560</u>
<b>Total assets less current liabilities</b>		<u>2,482,876</u>	<u>2,479,095</u>
<b>Net assets</b>		<u><u>2,482,876</u></u>	<u><u>2,479,095</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Share premium account		1,499,030	1,499,030
Profit and loss account		982,846	979,065
<b>Total equity</b>		<u><u>2,482,876</u></u>	<u><u>2,479,095</u></u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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**PARAGON EFFICIENCIES LIMITED**  
**REGISTERED NUMBER: SC354580**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2019**

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

Ross Cooper  
Ross Cooper (Dec 13, 2019)

**R J Etherson**  
Director

Date: Dec 13, 2019

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

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**1. General information**

Paragon Efficiencies Limited is a private company limited by shares incorporated in Scotland. The address of its registered office is Energen Biogas Limited, Dunnswood Road, Cumbernauld, Glasgow, G67 3EN.

The principal activity of the company is that of a holding company.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

**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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Exemption from preparing consolidated financial statements**

The company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

**2.3 Going concern**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus, the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

**2.4 Interest income**

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

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)****2.5 Taxation**

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.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 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.

**2.8 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.

**2.9 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.

**2.10 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.

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)****2.10 Financial instruments (continued)**

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.

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 comprehensive income.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**Critical judgements in applying the company's accounting policies**

The critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

**Impairment of investments in subsidiaries**

The company conducts impairment reviews of investments in subsidiaries whenever events or changes in circumstances indicate that their carrying amounts may not been recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the company to estimate the value in use which base on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. During the year, after reviewing the business environment and the company's strategies and past performance of its cash generating units, management concluded that there were no impairment of investments in subsidiaries at the current year end.

**4. Employees**

The average monthly number of employees, including the directors, during the year was 3 (2018: 2).

During the year, one director was remunerated through Energen Biogas Ltd, a subsidiary undertaking. The proportion of emoluments relating to services in respect of Paragon Efficiencies Limited cannot be reliably estimated.

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**5. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2018	1,507,535
At 31 March 2019	<u>1,507,535</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Energen Biogas Limited	Scotland	Production of electricity	A ordinary	50%

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves</b>	<b>Profit</b>
Energen Biogas Limited	5,210,257	1,035,644

**6. Debtors**

	<b>2019 £</b>	<b>2018 £</b>
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	175,045
	<u>-</u>	<u>175,045</u>



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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**6. Debtors (continued)**

Amounts owed by group undertakings are receivable in more than one year and interest bearing at 10% per annum.

During the year, £175,045 was repaid by Energen Biogas Holdco Ltd as part of the transfer of the share capital from R J Etherson and G Waddell to Energen Biogas Holdco Ltd.

	2019 £	2018 £
<b>Due within one year</b>		
Amounts owed by group undertakings	981,390	-
	<u>981,390</u>	<u>-</u>

Amounts owed by group undertakings are interest free and payable on demand.

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

	2019 £	2018 £
Trade creditors	-	3,210
Corporation tax	549	4,926
Other creditors	-	682
Accruals and deferred income	5,500	5,759
	<u>6,049</u>	<u>14,577</u>

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**8. Financial instruments**

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	981,390	986,137
	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>		
Financial liabilities that are debt instruments measured at amortised cost	-	(3,892)
	<u>          </u>	<u>          </u>

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and in hand and amounts owed by group undertakings.

Financial liabilities that are debt instruments measured at amortised cost comprise trade creditors and other creditors.

**9. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>

On 30 August 2018, 700 ordinary shares from R J Etherson and 300 ordinary shares from G Waddell were transferred to Energen Biogas Holdco Ltd for a cash consideration of £981,390.

**10. Related party transactions**

The company is a wholly owned member of Energen Biogas Holdco Ltd, and as such has taken advantage of the exemption permitted by FRS 102 section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly owned members of the group.

At the year end, the company was owed £981,390 (2018: £nil) from Energen Biogas Holdco Ltd, the parent undertaking.

During the year, an amount totaling £179,409 (2018: £173,340) was received from Energen Biogas Limited, a subsidiary company. Total interest received on the loan was £4,364 (2018: £29,340). At the year end, the company was owed £nil (2018: £175,045) from Energen Biogas Limited.

**11. Post balance sheet events**

There have been no significant events affecting the company since the year end.

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**PARAGON EFFICIENCIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**12. Controlling party**

The immediate parent undertaking is Energen Biogas Holdco Limited, a company incorporated in England and Wales.

The directors consider Bio Capital Limited and Zeus Renewables Limited, the companies incorporated in the United Kingdom to be the parent companies as they own 97.86% and 2.14% of A Ordinary shares in Energen Biogas Holdco Ltd respectively.

The directors consider Bio Capital Limited to be the ultimate controlling party. The address of its registered office is North West House 119 Marylebone Road, London, NW1 5PU.