

Paragon Efficiencies Limited

Registered number: SC354580

Information for filing with Registrar

For the period ended 31 December 2019

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	31 March 2019 £
Fixed assets			
Investments	5	1,507,535	1,507,535
		<u>1,507,535</u>	<u>1,507,535</u>
Current assets			
Debtors: amounts falling due within one year	6	981,390	981,390
Cash at bank and in hand		90	-
		<u>981,480</u>	<u>981,390</u>
Creditors: amounts falling due within one year	7	(11,443)	(6,049)
Net current assets		<u>970,037</u>	<u>975,341</u>
Total assets less current liabilities		<u>2,477,572</u>	<u>2,482,876</u>
Net assets		<u>2,477,572</u>	<u>2,482,876</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Share premium account	10	1,499,030	1,499,030
Profit and loss account	10	977,542	982,846
Total equity		<u>2,477,572</u>	<u>2,482,876</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

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 period in question in accordance with section 476 of the 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.

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

P E Gill
Director

I Raanan
Director

Date: 23 December 2020

Date: 23 December 2020

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

1. General information

Paragon Efficiencies Limited is a private company limited by shares incorporated in Scotland. The company's registered number is SC354580. The address of its registered office is Suite 1a Kestrel View, Strathclyde Business Park, Bellshill, Scotland, ML4 3PB.

The principal activity of the company is that of a holding vehicle for an anaerobic digestion investment.

During the period the accounting reference date has been shortened from 31 March 2020 to 31 December 2019.

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 Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position and the performance of the company for the period of at least twelve months from the date of approval of these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern. Accordingly the directors have a reasonable expectation that the company will continue in operational existence and thus they adopt the going concern basis of accounting in preparing the financial statements.

2.3 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. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.4 Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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 recognises financial instruments when it becomes a party to the contractual agreements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

instrument transactions are explained below:

Financial assets

The company classifies all of its financial assets as loans, receivables and investments.

Financial liabilities

The company classifies all of its financial liabilities at amortised cost.

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

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.

Critical judgements in applying the company's accounting policies

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. After reviewing the business environment and the company's strategies and past performance of its cash generating units, management concluded that there was no impairment of investments in subsidiaries at the current period end.

Key sources of estimation uncertainty

The directors consider there to be no key sources of estimation uncertainty.

4. Employees

The average monthly number of employees, including the directors, during the period was 3 (March 2019 - 3).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

5. Fixed asset investments

	Investments in subsidiary companies £
At 1 April 2019	1,507,535
At 31 December 2019	<u>1,507,535</u>

Investments

The following was a subsidiary undertaking of the company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Energen Biogas Limited	Scotland	Holding vehicle for a portfolio of anaerobic digestion investments	A ordinary	50 %

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

Name	Aggregate of share capital and reserves £	Profit £
Energen Biogas Limited	4,094,856	2,715,591

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

6. Debtors

	31 December 2019 £	31 March 2019 £
Amounts owed by group undertakings	981,390	981,390
	<u>981,390</u>	<u>981,390</u>

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

7. Creditors: Amounts falling due within one year

	31 December 2019 £	31 March 2019 £
Amounts owed to group undertakings	2,400	-
Corporation tax	543	549
Other creditors	100	-
Accruals and deferred income	8,400	5,500
	<u>11,443</u>	<u>6,049</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

8. Financial instruments

	31 December 2019 £	31 March 2019 £
Financial assets		
Financial assets measured at amortised cost	<u>981,480</u>	<u>981,390</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>10,900</u>	<u>-</u>

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

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors and accruals.

9. Share capital

	31 December 2019 £	31 March 2019 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

10. Reserves

Share premium account

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Profit and loss account

This reserve represents the cumulative profits and losses of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

11. Related party transactions

As at 31 December 2019, an amount of £981,390 (March 2019: £981,390) was due from Energen Biogas Holdco Ltd, the immediate parent undertaking. This amount is included in amounts owed by group undertakings due within one year.

As at 31 December 2019, an amount of £2,400 (March 2019: £nil) was due to Bio Capital Limited, the ultimate parent undertaking. This amount is included in amounts owed to group undertakings due within one year.

During the period, an amount totalling £nil (March 2019: £179,409) was received from Energen Biogas Limited, the immediate parent undertaking. Total interest received on the loan was £nil (March 2019: £4,364). As at 31 December 2019, an amount of £nil (March 2019: £nil) was due from Energen Biogas Limited.

As at 31 December 2019, an amount of £100 (March 2019: £nil) was due to R J Etherson, a director of the company. This amount is included in other creditors. This amount is interest free and repayable on demand.

12. Post balance sheet events

Between the period end and the date of this report, the COVID-19 Coronavirus pandemic emerged globally. The impact of the COVID-19 Coronavirus outbreak is not yet clear and it is therefore not currently possible to evaluate all potential implications to the company's trade, customers, suppliers and the wider economy. However, subsequent to the year end, strong recovery has been noted in the underlying anaerobic digestion investment.

13. Controlling party

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

The directors consider Bio Capital Limited to be the ultimate controlling party. The address of its registered office is 3rd Floor South Building, 200 Aldersgate Street, London, EC1A 4HD.

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.