Company Registration No. 09090821

Tamar Renewable Power (Hoddesdon) Limited

Annual report and financial statements

For the year ended 31 March 2018

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Tamar Renewable Power (Hoddesdon) Limited

Annual report and financial statements 2018

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Tamar Renewable Power (Hoddesdon) Limited

Annual report and financial statements 2018

Officers and professional advisers

DIRECTORS

A Feneley
SP Greenfield
S Musther
GKC Vincent

REGISTERED OFFICE

Milton Parc
Milton Ernest
Bedfordshire MK44 1YU

BANKERS

National Westminster Bank Plc
City of London Office
1 Princes Street
London EC2R 8BP

SOLICITORS

Hewitsons *LLP*
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

Tamar Renewable Power (Hoddesdon) Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and independent auditors' report, for the year ended 31 March 2018.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors have taken an exemption under s414B of the Companies Act 2006 from preparing a strategic report for the year ended 31 March 2018.

Principal activities

The Company's principal activity is the operation of an anaerobic digestion plant and related activities.

On 6 February 2018 the Companys ultimate parent undertaking Tamar Energy Limited was acquired by Ancala Bioenergy Limited.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

A Feneley	(appointed 6 February 2018)
DE Hislop	(resigned 6 February 2018)
S Musther	(appointed 6 February 2018)
SP Greenfield	
GKC Vincent	(appointed 6 February 2018)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remained in place during the year.

Exceptional item

An exceptional charge of £10,055k (2017: £3,855k) has been recognised in the year in relation to the impairment of the carrying value of the Company's AD plant.

Going Concern

The company meets its day-to-day working capital requirements through short term intergroup funding arrangements. The Company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of available facilities.

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Tamar Renewable Power (Hoddesdon) Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors 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 Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by:

A Feneley

Director

Date: 13 Nov 18

Sutton Grange AD Limited

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2018

		2018	2017
		£'000	£'000
TURNOVER	4	3,271	452
Cost of sales		(3,424)	(719)
GROSS LOSS		(153)	(267)
Administrative expenses		(215)	(947)
Exceptional item	5	(10,055)	(3,855)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(10,423)	(5,069)
Interest payable and similar charges		(1,503)	(1,372)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,926)	(6,441)
Tax credit on loss on ordinary activities		1,370	913
LOSS FOR THE FINANCIAL YEAR		(10,556)	(5,528)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		(10,556)	(5,528)

All activities derive from continuing operations.

Tamar Renewable Power (Hoddesdon) Limited

STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Property, plant and equipment	7	8,268	19,182
Deferred tax asset	8	2,006	637
		10,274	19,819
CURRENT ASSETS			
Inventories	9	60	62
Debtors	10	541	768
Cash and cash equivalents		7	45
		608	875
CREDITORS: amounts falling due within one year	11	(10,989)	(11,424)
NET CURRENT LIABILITIES		(10,381)	(10,549)
TOTAL ASSETS LESS CURRENT LIABILITIES		(107)	9,270
CREDITORS: amounts falling due after more than one year	12	(18,334)	(16,859)
PROVISIONS FOR LIABILITIES	13	(74)	(370)
NET LIABILITIES		(18,515)	(7,959)
CAPITAL AND RESERVES			
Called up share capital		1	1
Profit and loss account deficit		(18,516)	(7,960)
TOTAL SHAREHOLDERS' DEFICIT		(18,515)	(7,959)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordenace with provisions of FRS102 Section 1A – small entities.

For the year ended 31 March 2018 the directors consider that the company is entitled to exemption from the requirements to have an audit under section 479A of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. 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 on pages 4 to 14 were approved by the Board of Directors on 13 Nov 18 and signed on its behalf by:

A Feneley
Director

Tamar Renewable Power (Hoddesdon) Limited Company Registration No. 09090821

Tamar Renewable Power (Hoddesdon) Limited

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2018

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 April 2016	1	(2,432)	(2,432)
Loss for the financial year and comprehensive income	-	(5,528)	(5,528)
Balance as at 31 March 2017	1	(7,960)	(7,959)
Loss for the financial year and comprehensive income	-	(10,556)	(10,556)
Balance as at 31 March 2018	1	(18,516)	(18,515)

Tamar Renewable Power (Hoddesdon) Limited

Notes to the financial statements
For the year ended 31 March 2018

1. STATUTORY INFORMATION

Tamar Renewable Power (Hoddesdon) Limited operates an Anaerobic Digestion Plant in Hertfordshire.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is Milton Parc, Milton Ernest, Bedford, Bedfordshire.

2. COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements of Tamar Renewable Power (Hoddesdon) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") under Section 1A for small entities and the Companies Act 2006.

3. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company has adopted FRS 102 Section 1A in these financial statements. Details of the transition to FRS 102 Section 1A are disclosed in note 16.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The presentation currency is £'000 sterling.

Going Concern

The company meets its day-to-day working capital requirements through short term intergroup funding arrangements. The Company's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of available facilities.

After making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Property, plant & equipment and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write down the cost of property, plant and equipment on the straight line basis over their expected useful lives. The expected useful economic lives are as follows:

Plant and machinery	10 – 30 years

Inventories

Stock is held at a carrying value of the lower of cost and estimated selling price less costs to sell. Stock is recognised as an expense in the period in which the related revenue is recognised.

3. ACCOUNTING POLICIES (continued)

Decommissioning

Decommissioning costs may be incurred by the company at the end of the operating life of the plant. These are determined under the terms of leases entered for each site and the company assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs can be uncertain and cost estimates vary in response to a number of factors, including resale value of equipment being decommissioned, changes to relevant legal requirements, the emergence of new restoration techniques and experience at other sites.

The expected timing, extent and amount of expenditure can also change, for example in response to changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

The provision at the reporting date represents managements best estimate of the present value of the future decommissioning costs required.

Impairment of non-financial assets

Impairment of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

If the recoverable amount of the asset is estimated to be less than the carrying amount, the carrying amount of the asset or cash-generating unit is reduced to the recoverable amount. The impairment is recognised in the income statement as an expense. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash flows independently, the recoverable amount is determined for the larger cash-generating unit to which the asset belongs.

A previously recognised impairment will be reversed insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

Financial instruments

Financial assets

Subsequent to initial measurement, trade and other receivables and cash and cash equivalents are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in income when the receivables are derecognised or impaired, as well as through the amortisation process.

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Trade and other receivables are stated net of an allowance for uncollectible amounts.

Financial liabilities

Loans and trade and other payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Any instrument that includes a repayment obligation is classified as a liability.

3. ACCOUNTING POLICIES (continued)

Equity

Equity comprises the following

- "Share capital" represents the nominal value of ordinary equity shares.
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares consisting of investor ordinary shares, net of expenses of the share issues.
- "Accumulated deficit" include all current results as disclosed in the income statement.

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes.

Tax deferred or accelerated is accounted for in respect of all material timing differences.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts and value added tax.

Services rendered

Revenue earned from gate fees is recognised when waste is received over the gate.

Electricity

Revenue from the sale of electricity and associated renewable certificates, embedded benefits and feed-in tariffs, is recognised based on the quantity of electricity exported or generated, as applicable, at the contracted price, on the date of generation.

Borrowing costs

Borrowing costs are recognised in the profit and loss in the period in which they are incurred.

Leasing

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Notes to the financial statements (continued)
For the year ended 31 March 2018

3. ACCOUNTING POLICIES (continued)

Critical accounting policies, judgements/estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The most critical accounting policies and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. These relate to;

- The assessment of property, plant and equipment for potential impairment. The recoverable amount of the plant and machinery has been determined based on value in use. Management has to make significant estimates and judgements when putting together the budgets and projections which are used in the value in use calculations. These judgements are mainly in relation to projected revenues (primarily being income from electricity generation). Should the actual income received be significantly lower than that assumed in the impairment review an impairment would result.

- Deferred tax assets are only recognised on losses to the extent that future probable taxable profits will be available against which the deferred tax asset can be utilised. This is based upon future taxable profit forecasts of the Group. Management has to make significant estimates and judgements when forecasting future taxable profits. These judgements are mainly in relation to projected revenues (primarily being income from food waste and electricity generation). Should the actual taxable profits generated differ, the ability to utilise deferred tax assets may change.

4. TURNOVER

The turnover and loss are attributable to one activity, alternative energy production and all arises in the United Kingdom.

5. EXCEPTIONAL ITEM

The exceptional item relates to the impairment of the Company's fixed assets to reflect their expected net realisable value based on a long-term forecast of the Company's cash flows.

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2018 No.	2017 No.
Production staff	9	13

None of the directors received any emoluments in respect of their services to the company during the year (2017: £nil). No advances have been made to directors and there are no outstanding balances with directors.

7. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £'000	Total £'000
Cost		
At 1 April 2017	23,238	23,238
Additions	236	236
At 31 March 2018	23,474	23,474
Accumulated depreciation		
At 1 April 2017	4,056	4,056
Charge for the year	1,095	1,095
Impairment provision	10,055	10,055
At 31 March 2018	15,206	15,206
Net book value		
At 31 March 2018	8,268	8,268
At 31 March 2017	19,182	19,182

8. DEFERRED TAXATION

The amount of deferred taxation recognised in these financial statements is as follows:

	2018 £'000	2017 £'000
Accelerated capital allowances	2,006	989
Capitalised interest	-	(352)
Deferred tax asset	2,006	637

9. INVENTORIES

	2018 £'000	2017 £'000
Spare parts	60	62

The value of stocks is not matrially different from the replacement cost.

Notes to the financial statements (continued)
For the year ended 31 March 2018

10. DEBTORS

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	97	115
Amounts owed by group undertakings	23	52
Other debtors	58	49
Prepayments and accrued income	363	552
	541	768

Amounts owed by group undertakings are unsecured, interest free, have no fixed date for repayment, are repayable on demand and are due within one year.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	116	345
Obligations under hire purchase and finance leases	15	36
Amounts owed to group undertakings	10,113	10,303
Other creditors	198	207
Accruals and deferred income	547	533
	10,989	11,424

Amounts due to group undertakings are unsecured, interest free, have no fixed date for repayment, are repayable on demand and are due within one year.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £'000	2017 £'000
Obligations under hire purchase and finance leases	-	15
Amounts owed to group undertakings	18,334	16,844
	18,334	16,859

Details of the terms of this loan are given in note 15.

Notes to the financial statements (continued)
For the year ended 31 March 2018

13. PROVISIONS FOR LIABILITIES

	2018 £'000	2017 £'000
Decommissioning provision	-	370
Other provisions	74	-
	74	370

The Company previously made full provision for the future cost of decommissioning the anaerobic digestion plant on a discounted basis on construction commencement. The provision has been reversed following a review of the requirements contained in the Company's lease over the AD plant, which does not require removal of the site infrastructure. The discount rate previously used in the calculation of the provision as at 31 March 2017 was 3.01%.

14. LEASE OBLIGATIONS

The Company had the following future minimum lease payments under non-cancellable operating leases

Land and buildings	2018 £'000	2017 £'000
Not later than one year	293	293
Later than one year and not later than five years	1,173	1,173
Later than five years	5,057	5,350
	6,523	6,816

15. RELATED PARTY TRANSACTIONS

Included in note 12 is £18,334k (2017: £16,844k) owed to the parent undertaking, Tamar Energy Operating Company (one) Limited. This amount includes accrued interest of £1,489k (2017: £1,368k) charged at the rate of 8.5% per annum during the year. This loan is payable in quarterly instalments once certain conditions are met.

The company has relied upon the disclosure exemption conferred by FRS 102 not to disclose transactions with fellow group undertakings.

16. TRANSITION TO SECTION 1A OF FRS 102

This is the first year the company has presented its results under Sectiion 1A of FRS 102.

The last financial statements under FRS 101 were for the year ended 31 March 2017.

The date of transition to Section 1A of FRS 102 was 1 April 2016.

On transition there were no changes to the reported profit for the year ended 31 March 2017 or to the reported equity at 1 April 2016 and 31 March 2017 as previously reported.

Notes to the financial statements (continued)
For the year ended 31 March 2018

17. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Ancala Bioenergy Holdco Limited, in whose consolidated financial statements the results of the Company are included. The financial statements of Ancala Bioenergy Holdco Limited are publicly available from c/o Ancala Partners LLP, 40 Gracechurch Street, London, England, EC3V 0BT.

The ultimate controlling party are funds managed by Ancala Partners LLP.

The company's immediate parent undertaking is Tamar Energy (Holdings) Limited, a company incorporated in England.

The smallest group for which group financial statements are drawn up and of which the company is a member is Tamar Energy limited. Its registered office and the address from which group financial statements can be obtained is C/O Biogen, Milton Parc, Milton Ernest, Bedfordshire, MK44 1YU.