



Bolam Energy Limited

Report and financial statements

for the year ended 30 June 2019

Registered number: 03754338



Directors and advisers

Directors

P S Latham
M G Setchell
E J Wilkinson

Company secretary

Octopus Company Secretarial Services Limited

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Registered office

6th Floor
33 Holborn
London
EC1N 2HT

Directors' report for the year ended 30 June 2019

The directors present their report and the financial statements for the company for the year ended 30 June 2019. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and business review

The principal activity of the company is the generation of electricity from landfill gas. The results for the year and financial position at the year end were satisfactory.

Results and dividends

The profit for the financial year amounted to £87,695 (2018: £68,371).

The directors do not recommend payment of a dividend (2018: £nil).

Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, are given below:

P S Latham
M G Setchell
E J Wilkinson

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 was in force throughout the financial year and at the date of approval of the financial statements for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of approval of the financial statements.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of the group and are not managed separately. The group has an agreed formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risks on a regular basis. Further discussion of group wide risks is provided within the directors' report of Melton Renewable Energy UK Limited which does not form part of this report.

Key performance indicators

The directors of Melton Renewable Energy UK Limited manage the group's operations on a group wide basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Bolam Energy Limited. The development, performance and position of Melton Renewable Energy UK Limited, which includes this company, is discussed in the group's report and financial statements which does not form part of this report.

Financial risk management

Given that the status of the company is that of a small trading company, it is exposed to limited financial risks. The financial risks the group faces have been disclosed within the financial statements of Melton Renewable Energy UK Limited for the year ended 30 June 2019. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the finance department of Melton Renewable Energy UK Limited.

Directors' report for the year ended 30 June 2019

Statement of directors' responsibilities

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 group and company 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", 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 group and company and of the profit or loss of the group and 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, 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 group and company will continue in business.

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

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audit exemption

The members have not required the company to obtain an audit of its financial statements for the year in accordance with section 476 of the Companies Act 2006. Accordingly no auditors have been appointed. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

On behalf of the board



E J Wilkinson
Director

11/12/2019

Statement of income and retained earnings

for the year ended 30 June 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|-----------|
| Turnover | 5 | 220,804 | 188,582 |
| Cost of sales | | (107,645) | (97,964) |
| Gross profit | | 113,159 | 90,618 |
| Administrative expenses | | (4,094) | (5,685) |
| Profit on ordinary activities before taxation | 6 | 109,065 | 84,933 |
| Tax on profit on ordinary activities | 8 | (21,370) | (16,562) |
| Profit for the financial year | 14 | 87,695 | 68,371 |
| Retained earnings brought forward | 14 | 393,598 | 325,227 |
| Retained earnings carried forward | 14 | 481,293 | 393,598 |

All items dealt with in the statement of income and retained earnings above relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The company has no other comprehensive income other than the results above and therefore no separate statement of comprehensive income has been prepared.

Balance sheet

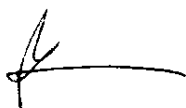
as at 30 June 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-----------|-----------|
| Fixed assets | | | |
| Tangible assets | 9 | 64,926 | 85,925 |
| Current assets | | | |
| Debtors | 10 | 473,435 | 361,165 |
| Creditors: amounts falling due within one year | 11 | (27,173) | (22,177) |
| Net current assets | | 446,262 | 338,988 |
| Total assets less current liabilities | | 511,188 | 424,913 |
| Provisions for liabilities and charges | 12 | (2,049) | (3,469) |
| Net assets | | 509,139 | 421,444 |
| Capital and reserves | | | |
| Called up share capital | 13 | 27,846 | 27,846 |
| Retained earnings | 14 | 481,293 | 393,598 |
| Total shareholders' funds | 15 | 509,139 | 421,444 |

For the year ending 30 June 2019 the directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") and the members have not required the company to obtain an audit of its financial statements 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 Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 4 to 13 were approved by the board of directors and were signed on its behalf by:



P S Latham

Director

11/12/2019

Registered number: 03754338

Notes to the financial statements

for the year ended 30 June 2019

1. General information

Bolam Energy Limited ("the company") generates electricity from landfill methane gas.

The company is a private company limited by shares and is incorporated and registered in England. The address of its registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

2. Statement of compliance

The financial statements of Bolam Energy 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" ("FRS102") 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 years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable 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").

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the parent company financial statements, includes the company's cash flows;
- (ii) from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.
- (iii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29 as the information is provided in the consolidated financial statement disclosures.

Related parties

The company is exempt from disclosing transactions with related entities, these being other 100% owned subsidiaries of Fern Trading Limited, as required by FRS102 paragraph 33.1.

Notes to the financial statements

for the year ended 30 June 2019

3. Accounting policies (continued)

Turnover

Turnover represents the invoiced value of goods and services for electricity supplied, net of value added tax and trade discounts. Turnover is derived from and recognised when electricity generated is exported to third party customers.

Income from recycled renewable obligation certificates ("Recycled ROC income") is recognised on an accruals basis and based on an estimate of the declared prices for each compliance period. This represents a change in accounting policy from previous years where this income was recognised on a cash receipt basis.

Accrued income comprises income relating to the current year, which has not been invoiced as at the balance sheet date.

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Finance costs incurred during the development stage of a project are capitalised, along with site preparation costs, installation costs and connection costs. Once the project is commissioned, these costs are depreciated over the estimated useful economic life of the asset constructed.

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives from commissioning using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Straight line annual rates of depreciation most widely used are:

| | |
|---------------------|---------------|
| Plant and machinery | 6.67% and 25% |
|---------------------|---------------|

Current tax

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

for the year ended 30 June 2019

3. Accounting policies (continued)

Group relief

Amounts receivable/payable in respect of tax losses surrendered to/by group companies are recognised in the year in which the losses are surrendered.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income and retained earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

Notes to the financial statements

for the year ended 30 June 2019

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

The directors consider that there are no critical judgements in the application of the company's accounting policies which would have a material impact on the financial statements.

(b) Key accounting estimates and assumptions

i) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed periodically.

5. Turnover

Turnover arises solely from the company's principal activities in the United Kingdom, net of value added tax.

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

| | 2019 | 2018 |
|---------------------------------------|--------|--------|
| | £ | £ |
| Depreciation of tangible fixed assets | 20,999 | 16,599 |

7. Employee information

The company paid no remuneration or wages to its directors during the financial year (2018: £nil) and had no other employees during the financial year (2018: nil). The emoluments of E J Wilkinson are paid by other group companies and recharged to CLP Envirogas Limited as part of a management charge. This management charge also includes a recharge of administration costs borne by the parent companies on behalf of the company and it is not possible to identify separately the amount of directors' emoluments.

P S Latham and M G Setchell did not receive any payment for services to the Melton Renewable Energy UK Limited group.

Notes to the financial statements

for the year ended 30 June 2019

8. Tax on profit on ordinary activities

a) Analysis of charge in the year

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Current tax | | |
| Group relief payable | 22,790 | 16,946 |
| Total current tax | 22,790 | 16,946 |
| Deferred tax | | |
| Origination and reversal of timing differences | (1,587) | (430) |
| Adjustments in respect of prior years | 167 | 46 |
| Total deferred tax (note 12) | (1,420) | (384) |
| Tax on profit on ordinary activities | 21,370 | 16,562 |

b) Reconciliation of tax charge

The tax assessed on the profit on ordinary activities before taxation for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Profit on ordinary activities before taxation | 109,065 | 84,933 |
| Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 19% (2018: 19%) | 20,722 | 16,137 |
| Effect of: | | |
| Expenses not deductible for tax purposes | 481 | 379 |
| Adjustments in respect of prior years | 167 | 46 |
| Tax charge for the year | 21,370 | 16,562 |

c) Factors that may affect future charges

A reduction in the main rate of corporation tax to 17% from 1 April 2020 was substantively enacted as part of the Finance Bill 2016 (on 6 September 2016). Consequently, deferred tax has been calculated at the year-end using a rate of 17%.

Notes to the financial statements

for the year ended 30 June 2019

9. Tangible assets

| | <i>Plant and machinery</i> £ |
|---------------------------------|-------------------------------------|
| Cost: | |
| At 1 July 2018 and 30 June 2019 | <u>125,534</u> |
| Accumulated depreciation: | |
| At 1 July 2018 | 39,609 |
| Charge for the year | 20,999 |
| At 30 June 2019 | <u>60,608</u> |
| Net book amount: | |
| At 30 June 2019 | <u>64,926</u> |
| At 30 June 2018 | <u>85,925</u> |

10. Debtors

| | <i>2019</i> £ | <i>2018</i> £ |
|------------------------------------|-----------------------|------------------|
| Trade debtors | - | 1,063 |
| Amounts owed by parent undertaking | 428,373 | 322,422 |
| Prepayments and accrued income | 45,062 | 37,680 |
| | <u>473,435</u> | <u>361,165</u> |

The amounts owed by parent undertaking are unsecured, do not bear interest, and are repayable on demand.

Notes to the financial statements

for the year ended 30 June 2019

11. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Amounts owed to group undertakings for group relief | 22,790 | 16,946 |
| Taxation and social security | - | 177 |
| Accruals and deferred income | 4,383 | 5,054 |
| | <u>27,173</u> | <u>22,177</u> |

The amounts owed to group undertakings are unsecured, do not bear interest, and are repayable on demand.

12. Provision for liabilities

Deferred tax

| | 2019 £ | 2018 £ |
|---|--------------|--------------|
| Provision for deferred tax comprises: | | |
| Accelerated capital allowances | 2,049 | 3,469 |
| Total deferred tax liability | <u>2,049</u> | <u>3,469</u> |
| At 1 July | 3,469 | 3,853 |
| Deferred tax credit in statement of income and retained earnings for the year (note 8(a)) | (1,420) | (384) |
| At 30 June | <u>2,049</u> | <u>3,469</u> |

Deferred tax is calculated at 17% (2018: 17%).

13. Called up share capital

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| <i>Authorised</i> | | |
| 5,000,000 (2018: 5,000,000) ordinary shares of £0.01 each | <u>50,000</u> | <u>50,000</u> |
| <i>Allotted and fully paid</i> | | |
| 2,784,643 (2018: 2,784,643) ordinary shares of £0.01 each | <u>27,846</u> | <u>27,846</u> |

Notes to the financial statements

for the year ended 30 June 2019

14. Retained earnings

| | £ |
|-------------------------------|----------------|
| At 1 July 2018 | 393,598 |
| Profit for the financial year | 87,695 |
| At 30 June 2019 | 481,293 |

15. Reconciliation of movements in total shareholders' funds

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Opening total shareholders' funds | 421,444 | 353,073 |
| Profit for the financial year | 87,695 | 68,371 |
| Closing total shareholders' funds | 509,139 | 421,444 |

16. Contingent liabilities

At 30 June 2019 the company was guarantor with other group companies of a debt facility agreement totalling £174,190,000 (2018: £nil) provided by the group's financiers.

The company has no other off balance sheet arrangements.

17. Ultimate parent undertaking

CLPE Projects 2 Limited is the immediate parent undertaking and Fern Trading Limited (an English limited company with its registered office at 6th Floor, 33 Holborn, London, EC1N 2HT) is the ultimate parent undertaking and controlling party.

Melton Renewable Energy UK Limited is the holding company of the smallest group of undertakings for which group financial statements are drawn up and Fern Trading Limited is the holding company of the largest group of undertakings for which group financial statements are drawn up. Copies of these financial statements are available from the address above.