

**AVONMOUTH BIO POWER ENERGY LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 JULY 2019**

STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	4	16,362,110	17,279,359
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	5	634,280	663,432
Cash at bank and in hand		41,197	475,700
		<u>675,477</u>	<u>1,139,132</u>
Creditors: amounts falling due within one year	6	(14,530,961)	(14,157,398)
<b>NET CURRENT LIABILITIES</b>		<u>(13,855,484)</u>	<u>(13,018,266)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,506,626</u>	<u>4,261,093</u>
<b>NET ASSETS</b>		<u><u>2,506,626</u></u>	<u><u>4,261,093</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	1	1
Capital contribution reserve		58,980,496	58,980,496
Profit and loss account		(56,473,871)	(54,719,404)
		<u><u>2,506,626</u></u>	<u><u>4,261,093</u></u>

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

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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 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 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 by:

**I C Brooking**  
Director

Date: 31 July 2020

The notes on pages 3 to 7 form part of these financial statements.

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

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**1. GENERAL INFORMATION**

The company (registered number 07932861) is a private company, limited by shares and registered in England and Wales. The registered office is Blythe House, Blythe Park, Cresswell, Stoke-on-Trent, Staffordshire, ST11 9RD.

**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 GOING CONCERN**

The financial statements have been prepared on the going concern basis, notwithstanding the company's net current liabilities of £13,855,484 which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by the parent company, Avonmouth Bio Power Limited. The parent company has provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this understanding, the directors believe that this is appropriate to prepare financial statements on a going concern basis.

**2.3 REVENUE**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of value added tax and trade discounts, and includes i) fees for the processing of waste product received ("gate fees"), ii) income received for the sale of electricity exported to the National Grid, and iii) Renewable Energy Obligation Certificates ("ROCs").

Revenue from gate fees are recognised on a monthly basis in the period in which the waste product is processed. Revenue from the sale of electricity is recognised in the period in which the output is delivered.

ROCs are issued to the company by the Government for the sale of electricity from renewable sources, and claimed from Ofgem on a three-monthly cycle.

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

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**2. ACCOUNTING POLICIES (continued)**

**2.4 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Plant and machinery	-	15 years straight line
Fixtures and fittings	-	5 years straight line
Office equipment	-	3 years straight line
Energy from waste facilities	-	19 years reducing balance

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 profit or loss.

**2.5 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.

**2.6 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.

**2.7 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.

**2.8 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 and loans to related parties.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 7 (2018: 8).

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Energy from waste facilities £	Total £
<b>COST</b>					
At 1 August 2018	721,592	52,594	106,244	57,671,869	58,552,299
At 31 July 2019	721,592	52,594	106,244	57,671,869	58,552,299
<b>DEPRECIATION</b>					
At 1 August 2018	168,371	32,433	106,244	40,965,892	41,272,940
Charge for the year on owned assets	48,106	10,519	-	858,624	917,249
At 31 July 2019	216,477	42,952	106,244	41,824,516	42,190,189
<b>NET BOOK VALUE</b>					
At 31 July 2019	505,115	9,642	-	15,847,353	16,362,110
At 31 July 2018	553,221	20,161	-	16,705,977	17,279,359

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

5. DEBTORS

	2019 £	2018 £
Trade debtors	38,524	156,643
Amounts owed by group undertakings	-	210
Other debtors	81,942	9,084
Prepayments and accrued income	513,814	497,495
	<u>634,280</u>	<u>663,432</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	644,772	497,180
Amounts owed to group undertakings	13,595,820	13,476,921
Other taxation and social security	11,532	-
Other creditors	915	915
Accruals and deferred income	277,922	182,382
	<u>14,530,961</u>	<u>14,157,398</u>

7. SHARE CAPITAL

	2019 £	2018 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1 (2018: 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

8. PENSION COMMITMENTS

The Avonmouth group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,307 (2018: £5,898). Contributions totalling £916 (2018: £916) were payable to the fund at the reporting date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

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**9. RELATED PARTY TRANSACTIONS**

As the company is a wholly owned subsidiary of Avonmouth Bio Power Limited, the company has taken advantage of the exemption contained in FRS 102.33 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

During the year the company paid management fees to a shareholder of the company's ultimate parent company totalling £30,000 (2018: £26,445). Avonmouth Bio Power Energy Limited have incurred expenses of £185 (2018: £2,238). There is an outstanding balance at the year end of £22,513 (2018: £15,164) included in creditors. During the year Avonmouth Bio Power Energy Limited were advanced a loan from this company of £160,000, this loan remains outstanding at the year end.

A payment of £7,589 (2018: £13,560) was paid during the year to an entity under common control for a recharge of costs that had been incurred on behalf of the Avonmouth group. There was an outstanding balance of £7,967 (2018: £Nil) at the year end included in creditors.



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