

Registered number: 07971244

Tanganyika Heat Limited

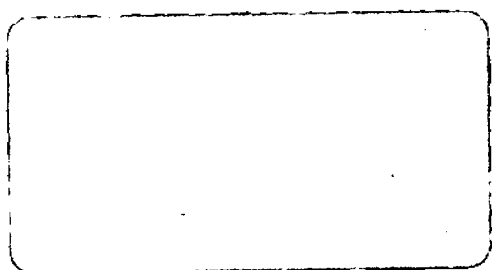
**Directors' report and financial statements
for the year ended 28 February 2019**



Tanganyika Heat Limited

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Tanganyika Heat Limited

Company information

Directors	Dr M J Bullard OCS Services Limited M G Setchell P Toland
Company secretary	Octopus Company Secretarial Services Limited
Registered number	07971244
Registered office	6th Floor 33 Holborn London EC1N 2HT

Tanganyika Heat Limited

Directors' report for the year ended 28 February 2019

The directors present their report and the unaudited financial statements of the company for the year ended 28 February 2019.

Principal activities

The company is the parent company of a group of which the principal activities are that of the operation of an anaerobic digestion plant exporting electricity to the grid.

Post balance sheet events

On 21 June 2019, the company's subsidiary, Erie Heat Limited, disposed of the investment in Manor Farm Community Energy Limited.

Going concern

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

Dr M J Bullard

OCS Services Limited

M G Setchell

P Toland

Tanganyika Heat Limited

Directors' report for the year ended 28 February 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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 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.

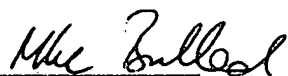
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on 29 November 2019 and signed on its behalf.



M J Bullard
Director

Tanganyika Heat Limited

Statement of income and retained earnings for the year ended 28 February 2019

	2019 £	2018 £
Administrative expenses	(670)	(586,918)
Operating loss	(670)	(586,918)
Interest receivable and similar income	282,898	282,899
Interest payable and similar charges	(28,151)	(26,016)
Profit/(loss) on ordinary activities before taxation	254,077	(330,035)
Tax on profit/(loss) on ordinary activities	-	-
Profit/(loss) for the financial year	254,077	(330,035)
Retained earnings at the beginning of the year	(3,036,898)	(2,706,863)
Profit/(loss) for the financial year	254,077	(330,035)
Retained earnings at the end of the year	(2,782,821)	(3,036,898)

All amounts above relate to continuing operations.

The company has no items of other comprehensive income for the current or preceding financial year. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 6 to 12 form part of these financial statements.

Balance sheet
as at 28 February 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	4		-		-
Current assets					
Debtors: amounts falling due after more than one year	5	779,084		773,855	
Debtors: amounts falling due within one year	5	1,526,848		1,244,131	
Cash at bank and in hand		1,189		1,037	
		<u>2,307,121</u>		<u>2,019,023</u>	
Creditors: amounts falling due within one year	6	<u>(580,202)</u>		<u>(546,181)</u>	
Net current assets			<u>1,726,919</u>		<u>1,472,842</u>
Total assets less current liabilities			<u>1,726,919</u>		<u>1,472,842</u>
Creditors: amounts falling due after more than one year	7		(2,085,739)		(2,085,739)
Net liabilities			<u><u>(358,820)</u></u>		<u><u>(612,897)</u></u>
Capital and Reserves					
Called up share capital	8		48,001		48,001
Share premium account			2,376,000		2,376,000
Retained earnings			(2,782,821)		(3,036,898)
Total shareholders' deficit			<u><u>(358,820)</u></u>		<u><u>(612,897)</u></u>

For the year ending 28 February 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

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

These accounts have been prepared in accordance with the 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 on 29 November 2019.



M J Bullard
Director

The notes on pages 6 to 12 form part of these financial statements.

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

1. General information

Tanganyika Heat Limited is a private company, limited by shares, incorporated in and domiciled in England, the United Kingdom, registered number 07971244. The registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The company is the parent company of a group of which the principal activities are that of the operation of an anaerobic digestion plant exporting electricity to the grid.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention 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 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. No critical judgements have been applied to these financial statements.

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying 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:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.3 Consolidation

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2.4 Going concern

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

2. Accounting policies (continued)

2.5 Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and *non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.*

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings within administrative expenses.

2.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

2.7 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income and retained earnings, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of income and retained earnings.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

2. Accounting policies (continued)

2.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

2. Accounting policies (continued)

2.9 Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of income and retained earnings. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2.10 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

3. Employees and directors' remuneration

The company has no employees other than the directors, who did not receive or waive any remuneration (2018: £nil).

4. Investments

	Investments in subsidiary companies £
Cost	
At 1 March 2018 and 28 February 2019	-
Impairment	
At 1 March 2018 and 28 February 2019	-
Net book value	
At 28 February 2019	-
At 28 February 2018	-

Subsidiary undertakings

The company owns 100% of the ordinary share capital of Erie Heat Limited a company registered in England and Wales. The registered office of Erie Heat Limited is 6th Floor, 33 Holborn, London, EC1N 2HT.

Erie Heat Limited owns 100% of the ordinary share capital of Manor Farm Community Energy Limited, a company registered in England and Wales. The registered office of Manor Farm Community Energy Limited is 6th Floor, 33 Holborn, London, EC1N 2HT.

The investment of £0.01 (2018: £0.01) has been fully impaired to £nil (2018: £nil).

5. Debtors

	2019 £	2018 £
Amounts falling due after one year		
Amounts owed by group undertakings	<u>779,084</u>	<u>773,855</u>
Amounts falling due within one year		
Other debtors	24,001	24,182
Prepayments and accrued income	1,502,847	1,219,949
	<u>1,526,848</u>	<u>1,244,131</u>

Included within amounts owed by group undertakings are unsecured loans with year end balances totalling £779,084 (2018: £773,855). The loans bear interest at 8.5% (2018: 8.5%) and are repayable after more than five years.

Amounts owed by group undertakings are stated after provisions for doubtful debts of £3,149,129 (2018: £3,149,129).

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

6. Creditors - amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,224	-
Amounts owed to group undertakings	23,712	17,314
Accruals and deferred income	555,266	528,867
	<u>580,202</u>	<u>546,181</u>

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

7. Creditors - amounts due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	<u>2,085,739</u>	<u>2,085,739</u>

Included within amounts owed to group undertakings is £2,085,739 (2018: £2,085,739). The loans bear interest at 12.44% (2018: 12.44%) and is due for repayment after more than five years.

8. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
4,800,020 (2018: 4,800,020) Ordinary shares of £0.01	<u>48,001</u>	<u>48,001</u>

Tanganyika Heat Limited

Notes to the financial statements for the year ended 28 February 2019

9. Related party transactions

The company has identified the following transactions which are to be disclosed under the terms of FRS 102 "Related party transactions".

Octopus Apollo VCT Plc

A loan totalling £2,085,739 (2018: £2,085,739) received from Octopus Apollo VCT Plc, a related party due to its shareholding in the entity, was outstanding. Interest of £27,724 (2018: £25,591) was payable on the loan with £550,921 (2018: £525,697), included in accruals and deferred income at the year end.

Erie Heat Limited

A loan totalling £3,328,212 (2018: £3,328,212) was given to Erie Heat Limited, a subsidiary of Tanganyika Heat Limited. At the year end, an amount of £779,084 (2018: £773,855) was outstanding and included within debtors. Interest of £282,898 (2018: £282,899) was receivable on the loan with £1,502,847 (2018: £1,219,949) included within prepayments and accrued income.

10. Ultimate parent undertaking and controlling party

The directors do not consider the company to have an ultimate controlling party or parent company, by virtue of a split holding in its shares. The results of the company are not consolidated within any other company.

11. Post balance sheet events

On 21 June 2019, the company's subsidiary, Erie Heat Limited, disposed of the investment in Manor Farm Community Energy Limited.