

**TAMAR ENERGY LIMITED**

**Annual report and financial statements**

**For the year ended 31 March 2020**

PARENT COMPANY OF TAMAR ENERGY OPERATING  
COMPANY (ONE) LIMITED.  
CO.No 09090190

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# **TAMAR ENERGY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2020**

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# **TAMAR ENERGY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

R Parker  
S Musther  
GKC Vincent  
C Lister

### **REGISTERED OFFICE**

C/O Biogen Milton Parc  
Milton Ernest  
Bedford  
England  
MK44 1YU

### **SECRETARY**

HS Secretarial Limited

### **BANKERS**

Royal Bank of Scotland Plc  
62-63 Threadneedle Street  
City of London  
EC2R 8HP

### **SOLICITORS**

Hewitsons LLP  
Shakespeare House  
42 Newmarket Road  
Cambridge  
CB5 8EP

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
The Maurice Wilkes Building  
St John's Innovation Park  
Cowley Road  
Cambridge  
CB4 0DS

# **TAMAR ENERGY LIMITED**

## **STRATEGIC REPORT**

### **Review of the business**

The principal activities of Tamar Energy Limited and its subsidiaries, “the Group”, are the ownership and operation of five anaerobic digestion (AD) plants generating renewable energy and bio-fertiliser from the processing of food waste. The Group also owns and operates six composting plants, processing commercial and domestic ‘green waste’ into compost.

The company was acquired on 6 February 2018 by funds managed by Ancala Partners LLP, and, via a new parent company, Ancala Bioenergy Limited, was amalgamated with the Biogen group of companies. Further details of the enlarged group are disclosed in the financial statements of Ancala Bioenergy Limited.

Ancala Bioenergy Limited successfully completed a refinancing of the Company in March 2020 with Allied Irish Banks and NatWest. This returned capital to the investors and provides further funding to continue the development and growth of the Company.

*The Coronavirus pandemic materialised with the lockdown of the UK from mid-March 2020. The Directors are pleased to confirm that the pandemic has had little impact on the performance of the Company in the year to March 2020. Due to the geographical spread of the portfolio and diversity in feedstock sources, the Company has been able to procure feedstock from other sources.*

During the year to 31 March 2020 the Group continued to focus on the operational effectiveness across the portfolio of AD plants which have a combined installed generation capacity of 11.3MW, all of which receive Government subsidy applicable to renewable energy installations. During the year, a number of sites have been enhanced in order to optimise the efficiency and robustness of their operations to secure ongoing revenue generation.

The loss before taxation in the year is £3,578k (2019: £4,604k).

*Looking further ahead, the directors are confident about the future business plan adopted by the Group.*

The Company has not made any significant donations to charities or political parties in the year (2019: £nil).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group face the following risks during the normal course of operations.

#### *Price & availability of feedstock risk*

The operating facilities of the Group require a consistent supply of suitable feedstock to maintain the biology of the plant and resulting generation. Market pressures, weather, plant issues/capacity can all impact feedstock supply. This risk is mitigated by maintaining strong relationships with a wide range of feedstock suppliers in addition to daily management of plant requirements / available feedstocks. Market pressures faced in recent years remain, however these are stabilising and the Group continues to expect that the gate fees will recover with the future implementation of The Waste and Resources Strategy outlined by the Government.

#### *Plant operating risk*

Failure of key components of an operating plant may lead to reduced generation. This risk is mitigated by scheduled planned maintenance and monitoring alongside a team of experienced engineers.

#### *Regulatory compliance risk*

The Group operates within a heavily regulated environment with failure to comply with regulations having the potential to impact operations. The Group operates ISO9001, ISO14001 and OHSAS18001 with an integrated management system. Compliance along with health and safety are a high priority of the directors and are reviewed regularly.

#### *Credit risk*

The Group mitigates credit risk by obtaining external credit reports for every new customer in conjunction with regularly monitoring customer credit levels. The Group has a large customer base and doesn’t suffer from significant concentration of credit.

# **TAMAR ENERGY LIMITED**

## **STRATEGIC REPORT (continued)**

### **PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

#### *Energy pricing risk*

The Group operates in the UK energy market and as such is exposed to movements in wholesale power pricing. The Group enters into agreements to mitigate this risk. Plants that operate under the governments Feed in Tariff have the option of a fixed electricity export rate, and the business reviews this on a periodic basis.

#### *Liquidity risk*

The Group monitors and manages the cash flow requirements of the business with annual/rolling forecasts that are reviewed regularly by the directors. The capital requirements of the Group are met through cash reserves and shareholder loans.

Overall, the directors and shareholders are pleased with the progress made in 2020 and are confident that the business is on the right trajectory to deliver on the underlying business plan.

Approved by the Board of Directors and signed on behalf of the Board



R Parker

Director

Date 28/09/2020

## **TAMAR ENERGY LIMITED**

### **Directors' report**

The directors present their annual report on the affairs of the Group, together with the audited consolidated financial statements and auditors' report, for the year ended 31 March 2020.

#### **DIRECTORS**

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

S Musther

G K C Vincent

C Lister

R Parker

(appointed 4 December 2019)

A Feneley

(resigned 31 December 2019)

#### **DIRECTORS' INDEMNITIES**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which remained in force at the date of this report.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend (2019: £nil) in respect of the year.

#### **FINANCIAL RISK MANAGEMENT POLICY**

The Company has adopted the following policies to manage financial risk;

Interest rate risk is minimal with the Group either agreeing fixed rates or linking borrowing to Libor.

The Group has limited exposure to foreign currency; where this arises, the Group enters into hedging agreements for a small number of material foreign currency transactions.

Liquidity is closely managed and reviewed by the board of directors regularly.

#### **FUTURE DEVELOPMENTS**

Details of future developments are set out in the Strategic Report.

#### **GOING CONCERN**

The Group meets its day-to-day working capital requirements through facilities provided by its parent company, Ancala Bioenergy Limited. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Ancala Bioenergy Limited have provided written confirmation that they will not request repayment of the loan of £20,619k (2019: £19,189k) in the twelve months from approval of these financial statements.

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

# TAMAR ENERGY LIMITED

## Directors' report (continued)

### STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

*This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.*

### 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 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.

### DIRECTORS' CONFIRMATIONS

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



R Parker

Director  
Date 28/09/2020

## **TAMAR ENERGY LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMAR ENERGY LIMITED**

#### **Report on the audit of the financial statements**

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##### **Opinion**

In our opinion, Tamar Energy Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 March 2020; the consolidated statement of comprehensive income, and the group and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

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##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



## TAMAR ENERGY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAMAR ENERGY LIMITED

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Miles Saunders (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cambridge

29 September 2020

# **TAMAR ENERGY LIMITED**

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** **For the year ended 31 March 2020**

	<b>Note</b>	<b>2020</b> <b>£'000</b>	<b>2019</b> <b>£'000</b>
<b>TURNOVER</b>	<b>4</b>	<b>16,745</b>	<b>16,516</b>
Cost of sales		(16,580)	(16,748)
<b>GROSS PROFIT</b>		<b>165</b>	<b>(232)</b>
Administrative expenses		(1,508)	(2,346)
<b>LOSS BEFORE INTEREST AND TAXATION</b>	<b>5</b>	<b>(1,343)</b>	<b>(2,578)</b>
Interest payable and similar expenses	<b>7</b>	(2,235)	(2,026)
<b>LOSS BEFORE TAXATION</b>		<b>(3,578)</b>	<b>(4,604)</b>
Tax credit/(charge) on loss	<b>8</b>	774	(2,487)
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(2,804)</b>	<b>(7,091)</b>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR</b>		<b>(2,804)</b>	<b>(7,091)</b>
Total comprehensive expense for the year attributable to:			
Owners of the parent		(2,103)	(6,492)
Non Controlling interest		(701)	(599)
		<b>(2,804)</b>	<b>(7,091)</b>

All activities derive from continuing operations.


# TAMAR ENERGY LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	31,328	31,933
		<u>31,328</u>	<u>31,933</u>
<b>CURRENT ASSETS</b>			
Stocks	12	1,221	501
Debtors (including £3,456k (2019: £2,681k) due in more than one year)	13	5,968	5,765
Cash at bank and in hand		171	2,488
		<u>7,360</u>	<u>8,754</u>
<b>CREDITORS: amounts falling due within one year</b>	14	(6,968)	(5,251)
<b>NET CURRENT ASSETS</b>		<u>392</u>	<u>3,503</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		31,720	35,436
<b>CREDITORS: amounts falling due after more than one year</b>	15,16	(20,898)	(21,347)
<b>PROVISIONS FOR LIABILITIES</b>	17	(2,848)	(3,311)
<b>NET ASSETS</b>		<u>7,974</u>	<u>10,778</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	995	995
Share premium account		98,369	98,369
Other reserves		608	608
Accumulated losses		(85,605)	(83,502)
		<u>14,367</u>	<u>16,470</u>
Non-controlling interests		(6,393)	(5,692)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>7,974</u>	<u>10,778</u>

The financial statements on pages 8 to 28 were approved by the Board of Directors on 28/07/2020 and signed on its behalf by:

  
R Parker

Director

Tamar Energy Limited Company Registration No. 07703877

# TAMAR ENERGY LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION As at 31 March 2020

	Notes	2020 £'000	2019 £'000
<b>FIXED ASSETS</b>			
Investments	10	3,846	3,846
<b>CURRENT ASSETS</b>			
Debtors (including £27,378k (2019: £19,414k) due in more than one year)	13	43,658	35,693
Cash at bank and in hand		13	50
		43,671	35,743
<b>CREDITORS: amounts falling due within one year</b>	14	(85)	(30)
<b>NET CURRENT ASSETS</b>		43,586	35,713
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		47,432	39,559
<b>CREDITORS: amounts falling due after more than one year</b>	15,16	(20,619)	(19,189)
<b>NET ASSETS</b>		26,813	20,370
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	995	995
Share premium account		98,369	98,369
Other reserves		608	608
Accumulated losses		(73,159)	(79,602)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		26,813	20,370

The Company's profit for the year was £6,443k (2019: £5,851k).

The financial statements on pages 8 to 28 were approved by the Board of Directors on 28/09/2020 and signed on its behalf by:



**R Parker**  
Director

Tamar Energy Limited Company Registration No. 07703877

# TAMAR ENERGY LIMITED

## STATEMENTS OF CHANGES IN EQUITY For the year ended 31 March 2020

The Group	Called up share capital	Share premium account	Other reserves	Accumulated losses	Shareholders' funds attributable to owners of the parent	Minority interests	Total sharehold ers' funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2018	995	98,369	608	(77,010)	22,962	(5,093)	17,869
Loss and total comprehensive expense for the financial year	-	-	-	(6,492)	(6,492)	(599)	(7,091)
Balance as at 31 March 2019	995	98,369	608	(83,502)	16,470	(5,692)	10,778
Loss and total comprehensive expense for the financial year	-	-	-	(2,103)	(2,103)	(701)	(2,804)
Balance as at 31 March 2020	995	98,369	608	(85,605)	14,367	(6,393)	7,974

The Company	Called up share capital	Share premium account	Other reserves	Accumulated losses	Shareholders' funds attributable to owners of the parent	Total sharehold ers' funds
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2018	995	98,369	608	(85,453)	14,519	5,851
Profit for the financial year	-	-	-	5,851	5,851	5,851
Balance as at 31 March 2019	995	98,369	608	(79,602)	20,370	6,443
Profit for the financial year	-	-	-	6,443	6,443	6,443
Balance as at 31 March 2020	995	98,369	608	(73,159)	26,813	26,813

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 1. GENERAL INFORMATION

Tamar Energy Limited and its subsidiaries operate a number of anaerobic digestion and green waste composting plants across the UK.

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, Bedfordshire MK44 1YU.

### 2. STATEMENT OF COMPLIANCE

The group and individual financial statements of Biogen (UK) 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") and the Companies Act 2006.

### 3. ACCOUNTING POLICIES

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

#### Basis of preparation

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

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 Group and Company accounting policies*. These are disclosed later in this note.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions, given its results are included in the consolidated financial statements of its parent company Ancala Bioenergy Holdco Limited (these financial statements can be obtained from the address given in note 21):

- under FRS 102 paragraph 1.12(b), exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Ancala Bioenergy Holdco Limited, includes the Company's cash flow in its own consolidated financial statements
- under FRS 102 paragraph 33.7, from disclosing key management personnel compensation in total

#### Going concern

The Group meets its day-to-day working capital requirements through facilities provided by its parent company, Ancala Bioenergy Limited. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. Ancala Bioenergy Limited have provided written confirmation that they will not request repayment of the loan of £20,619k (2019: £19,189) in the twelve months from approval of these financial statements. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 3. ACCOUNTING POLICIES (Continued)

#### **Basis of consolidation**

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 31 March. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

#### **Turnover**

Turnover is the total amount receivable by the Group in the ordinary course of business from outside customers for goods supplied as a principal and for services provided including revenue from gate fees, electricity and subsidies, excluding value added tax and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### **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.

#### **Employee benefits**

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### **1. Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### **2. Defined contribution pension plans**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

##### **3. Annual bonus plan**

The Group operates a discretionary annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

## **TAMAR ENERGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **For the year ended 31 March 2020**

#### **3. ACCOUNTING POLICIES (Continued)**

##### **Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income.

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

##### **Accrued income**

Income that has been earned but not yet invoiced is accrued for at the rate at which the invoice will be raised.

##### **Intangible assets - goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its economic life. Provision is made for any impairment.

##### **Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost include the original purchase prices, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

No depreciation is provided on assets in the course of construction or long leasehold land and buildings. On other fixed assets depreciation is calculated to write down the cost of tangible fixed assets on the straight line basis over their expected useful lives. The expected useful economic lives are as follows:

Plant and machinery	3 – 25 years
Computers and software	3 years

Long leasehold buildings, which are not depreciated, are reviewed for impairment at the end of each reporting period.

##### **Decommissioning**

Decommissioning costs may be incurred by the group at the end of the operating life of some of the plants. These are determined under the terms of leases entered into for each site and the group 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.

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



## TAMAR ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

#### 3. ACCOUNTING POLICIES (Continued)

##### **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**

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of 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.

##### **Borrowing costs**

Borrowing costs during construction are capitalised, costs are attributed to the fixed asset the borrowing was used to finance and amortised over the life of that asset. All other borrowing costs are recognised in the profit and loss in the period in which they are incurred.

## **TAMAR ENERGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)** **For the year ended 31 March 2020**

#### **3. ACCOUNTING POLICIES (Continued)**

##### **Finance leases**

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance lease.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the useful economic life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### **Operating leases**

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.

##### **Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

##### **Stock**

Stocks of spare parts for plant and machinery and feedstocks are held for use within the operating plants and are capitalised or expensed in the period in which they are acquired or used.

Feedstock is held for use in the Agri AD plants when the plant requires them. The costs are expensed in the period in which they are used.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks with original maturities of three months or less and bank overdrafts.

##### **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

##### **Related party transactions**

The Group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

##### **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.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 3. ACCOUNTING POLICIES (Continued)

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, intangible assets, investments and intergroup receivables (company only) for potential impairment, where the recoverable amount has been determined based on value in use. Management has to make significant estimates when putting together the budgets and projections which are used in the value in use calculations. These estimates are mainly in relation to projected revenues (primarily being income from food waste and 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 estimates 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.

The directors do not consider there to be any critical judgements.

### 4. TURNOVER

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

### 5. LOSS BEFORE INTEREST AND TAXATION

	2020	2019
	£'000	£'000
<b>Operating loss is stated after charging/(crediting):</b>		
Depreciation on owned assets	2,279	1,743
Depreciation on assets held under finance leases	41	197
Loss on disposal of fixed assets	13	17
Inventory recognised as an expense/(credit)	(720)	1,516
Rentals under operating leases:		
- Hire of plant and machinery	943	1,415
- Land and buildings	645	780

The audit fees for the group are being paid for by another group Company, Biogen (UK) Limited.

## TAMAR ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

#### 6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

##### Employees

The average monthly number of persons (including executive directors) employed by the Group and Company during the year was:

	2020 No.	2019 No.
Production staff	55	56
Sales	-	2
Administration	-	4
	<u>55</u>	<u>62</u>

Staff costs incurred during the year in respect of these employees were:

	2020 £'000	2019 £'000
Wages and salaries	1,858	2,301
Social security costs	186	231
Other pension costs	55	53
Staff costs charged to profit and loss	<u>2,099</u>	<u>2,585</u>

Pension contributions of £nil (2019: £nil) for a defined contribution scheme were outstanding at the year end.

##### Directors

In the year to 31 March 2020 none of the directors received any remuneration (2019: £nil) and there were no contributions to a defined contribution pension scheme (2019: £nil). The directors are deemed to be the key management personnel.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £'000	2019 £'000
On loans and overdrafts	21	-
On other borrowings	-	12
Finance charges in respect of finance leases and similar	3	8
On loans from group undertakings	2,113	1,924
Unwinding of discount on provision	98	82
Total interest payable and similar charges	<u>2,235</u>	<u>2,026</u>

### 8. TAX ON LOSS

Tax assessed for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2019 of 19% (2018: 19%). The differences are explained below:

#### (a) Tax charge/ (credit) included in profit and loss

	2020 £'000	2019 £'000
<b>Deferred tax:</b>		
- Origination and reversal of timing differences	118	2,701
- Adjustments in respect of prior periods	(84)	70
- Impact of change in tax rate	<u>(808)</u>	<u>(284)</u>
Total deferred tax credit	<u>(774)</u>	<u>2,487</u>
Tax charge/(credit) on loss	<u>(774)</u>	<u>2,487</u>

#### (b) Reconciliation of tax charge

	2020 £'000	2019 £'000
Loss on ordinary activities before taxation	(3,578)	(4,604)
Loss multiplied by the standard rate of tax in the UK of 19% (2019: 19%). The differences are explained below:	(680)	(875)
- Expenses not deductible	-	59
- Income not taxable	(32)	59
- Effects of group relief/other reliefs	369	547
- Adjustments in respect of prior periods	(84)	70
- Tax rate changes	(819)	(284)
- Unrecognised deferred tax	<u>472</u>	<u>2,970</u>
Tax (credit)/charge for the year	<u>(774)</u>	<u>2,546</u>

The Finance (No 2) Act 2016, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2016. Subsequently, the Finance Act 2018, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 15 March 2018. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 9. TANGIBLE ASSETS

The Group	Plant and machinery £'000	Computers and software £'000	Total £'000
<b>Cost</b>			
At 1 April 2019	77,726	506	78,232
Additions	1,746	11	1,757
Disposals	(130)	-	(130)
At 31 March 2020	<u>79,342</u>	<u>517</u>	<u>79,859</u>
<b>Accumulated depreciation</b>			
At 1 April 2019	45,842	457	46,299
Charge for the year	2,291	29	2,320
Disposals	(88)	-	(88)
At 31 March 2020	<u>48,045</u>	<u>486</u>	<u>48,531</u>
<b>Net book value</b>			
At 31 March 2020	<u>31,297</u>	<u>31</u>	<u>31,328</u>
At 31 March 2019	<u>31,884</u>	<u>49</u>	<u>31,933</u>

Included within Plant and machinery is freehold land with a carrying value of £1,300k, which is not depreciated. All other properties are occupied under lease agreements with remaining terms of less than 50 years.

The net book value of the Group's plant and machinery includes £nil (2019: £41k) in respect of assets held under finance leases and hire purchase contracts.

### 10. INVESTMENTS

The Company	2020 £'000	2019 £'000
Subsidiary undertakings	<u>3,846</u>	<u>3,846</u>
	<u>3,846</u>	<u>3,846</u>

#### Trade investment

The company owns 1 A share in Green Gas Trading Limited, which represents a holding of 3.1% of the equity share capital. The carrying value of the trade investment was reduced to £Nil in the year to reflect the directors' assessment of its fair value.

#### Investments

The Company and the Group have investments in the following subsidiary undertakings in which the group holds 50% or more of the nominal value of any class of share capital are as follows:

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 10. INVESTMENTS (CONTINUED)

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Tamar Energy Development Company Limited*	Ordinary shares	100%	Non-trading Operational & management services
Tamar Energy (Holdings) Limited*	Ordinary shares	100%	
Tamar Renewable Power (Hoddesdon) Limited#*	Ordinary shares	100%	Anaerobic digestion plants
Tamar Energy (Hermes Holdings) Limited#*	Ordinary shares	100%	Operational & management services
Tamar Energy Operating Company (one) Limited#*	Ordinary shares	100%	Operational & management services
Holbeach Biogas Limited#	Ordinary shares	95%	Anaerobic digestion plants
Sutton Grange AD Limited#	A Ordinary shares	80%	Anaerobic digestion plants
Tamar Renewable Power (Essex) Limited#*	Ordinary shares	100%	Anaerobic digestion plants
Tamar Renewable Power (Basingstoke) Limited#*	Ordinary shares	100%	Anaerobic digestion plants
Tamar Organics Limited*	Ordinary shares	100%	Waste recycling & treatment services
Tamar Recycling (Suffolk) Limited#*	Ordinary shares	100%	Waste recycling & treatment services
Tamar Composting (East Anglia) Limited#*	Ordinary shares	100%	Waste disposal & recycling services
T J Composting Group Limited#*	Ordinary shares	100%	Non-trading
T J Composting Services Limited#*	Ordinary shares	100%	Non-trading
The Beddingham Compost Company Ltd#*	Ordinary shares	100%	Dormant
Tamar Organic Waste Limited#*	Ordinary shares	100%	Dormant

# Held by a subsidiary undertaking

\* Audit exemption claimed under s479c CA 2006

The Company and its subsidiary undertakings are registered in England and Wales at the following address:  
Milton Parc, Milton Ernest, Bedfordshire, MK44 1YU.

The subsidiary undertakings have been consolidated in the Group financial statements.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 11. DEFERRED TAXATION

The Group	2020 £'000	2019 £'000
At 1 April 2019	2,681	5,168
Adjustment in respect of prior periods	84	70
Recognised in comprehensive income	691	(2,557)
As at 31 March 2020	<u>3,456</u>	<u>2,681</u>

The amounts of deferred tax asset recognised and unrecognised in the Group financial statements are as follows:

The Group	Recognised 2020 £'000	Recognised 2019 £'000	Unrecognised 2020 £'000	Unrecognised 2019 £'000
Accelerated capital allowances	3,230	2,519	-	4,261
Other short term timing differences	355	277	-	17
Revaluations/fair value adjustments	(129)	(115)	-	-
Tax losses	-	-	-	2,659
R&D expenditure credit	-	-	-	-
Deferred tax asset	<u>3,456</u>	<u>2,681</u>	<u>-</u>	<u>6,937</u>

The unrecognised deferred tax assets may be utilised against future taxable profits. They have not been recognised as the timing of future profitability is not certain.

### 12. STOCKS

	The Group 2020 £'000	2019 £'000
Feedstock	858	254
Spare parts for plant and machinery	363	247
	<u>1,221</u>	<u>501</u>

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



# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 13. DEBTORS

	The Group		The Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade debtors	473	1,094	-	-
Amounts owed by group undertakings	-	-	16,274	16,274
Other debtors	54	47	6	6
Other taxes	-	315	-	-
Prepayments and accrued income	1,985	1,628	-	-
<b>Amounts falling due after more than one year:</b>				
Loans to group undertakings	-	-	27,378	19,413
Deferred tax asset	3,456	2,681	-	-
	<u>5,968</u>	<u>5,765</u>	<u>43,658</u>	<u>35,693</u>

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

The loans to group undertakings are unsecured, are repayable once certain conditions are met and accrue interest at 8.5% - 12% per annum. The loans are stated net of impairment provisions of £84,102k (2019: 84,102k) where there is uncertainty as to the likelihood of full recovery.

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Obligations under hire purchase and finance leases	-	41	-	-
Trade creditors	622	501	-	-
Amounts owed to group undertakings	4,682	2,641	85	30
Other taxation and social security	309	56	-	-
Other creditors	239	407	-	-
Accruals and deferred income	1,116	1,605	-	-
	<u>6,968</u>	<u>5,251</u>	<u>85</u>	<u>30</u>

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

The amounts owed in respect of hire purchase and finance lease assets are secured on the assets concerned.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Loan from group undertaking	20,898	21,347	20,619	19,189
	<u>20,898</u>	<u>21,347</u>	<u>20,619</u>	<u>19,189</u>

The loans from group undertaking are unsecured and have no fixed date for repayment. Ancala Bioenergy Limited have provided written confirmation that they will not request repayment of the loan of £20,619k (2019: £19,189) in the twelve months from approval of these financial statements, interest is chargeable at 10.5% per annum on this balance. The remaining £300k is due to Biogen (UK) Limited, written confirmation has been provided stating that they will not request repayment of the loan in the twelve months from approval of these financial statements, interest is chargeable at 4.5% per annum on this balance.

### 16. BORROWINGS

Analysis of loan repayments:

	The Group		The Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<u>Within one year:</u>				
Hire purchase and finance leases	-	41	-	-
<u>After five years</u>				
Loan from group undertaking	<u>20,898</u>	<u>21,347</u>	<u>20,619</u>	<u>19,189</u>
	<u>20,898</u>	<u>21,388</u>	<u>20,619</u>	<u>19,189</u>

## TAMAR ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

#### 17. PROVISIONS FOR LIABILITIES

The Group	Decomm- issioning provision £'000	Onerous contract £'000	Other provisions £'000	Total £'000
At 1 April 2019	720	1,627	964	3,311
Arising during the year	-	-	80	80
Utilised in the year	-	(167)	(474)	(641)
Unwinding of discount	14	84	-	98
At 31 March 2020	<u>734</u>	<u>1,544</u>	<u>570</u>	<u>2,848</u>

The group makes full provision for the future cost of decommissioning anaerobic digestion plants on a discounted basis on commencement of construction. The decommissioning provision represents the present value of decommissioning costs, which are expected to be incurred up to 2043, which is when the anaerobic digestion plants are expected to cease operations. These provisions have been created based on the group's internal cost estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. Actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required.

Provision has been made for the discounted cost of future annual payments up to April 2029, required under a trading agreement that the directors consider to be onerous

The discount rate used in the calculation of the provisions as at 31 March 2020 was 1.9% (2019: 1.9%).

Other provisions relates to a number of compliance and operational matters which are deemed to present liabilities which have arisen from incidents that occurred. Expenditure on these items is expected to occur in the forthcoming year. Provision has also been made in respect of a boundary dispute at one of the AD plants.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 18. CALLED UP SHARE CAPITAL

#### Group and company

<i>Authorised</i>	<b>2020</b> <i>No.</i>	<b>2019</b> <i>No.</i>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
Investor ordinary shares of 1p each	92,750,000	92,750,000	927,500	927,500
Performance shares of 1p each	625,000	625,000	6,250	6,250
Sponsor warrant shares of 1p each	29,150	29,150	291	291
Management warrant shares of 1p each	35,100	35,100	351	351
Loan enforcement shares of 1p each	2	2	–	–
Deferred shares of 1p each	635,750	635,750	6,358	6,358
SSL warrant shares	25,000	25,000	250	250
Investor preference shares	10,000,000	10,000,000	100,000	100,000
ESS shares of 1p each	1,000	1,000	10	10
			<u>1,041,010</u>	<u>1,041,010</u>
	<b>2020</b> <i>No.</i>	<b>2019</b> <i>No.</i>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<i>Allotted, called up and fully paid</i>				
Investor ordinary shares of 1p each	88,791,667	88,791,667	887,916	887,916
Sponsor warrant shares of 1p each	29,150	29,150	292	292
Management warrant shares of 1p each	11,000	11,000	110	110
Loan enforcement shares of 1p each	2	2	–	–
Deferred shares of 1p each	635,750	635,750	6,358	6,358
Investor preference shares	10,000,000	10,000,000	100,000	100,000
ESS shares of 1p each	900	900	–	–
			<u>994,676</u>	<u>994,676</u>

#### *Rights, preferences and conditions*

Ordinary shares carry one vote per investor if voting on a show of hands and one vote per share if voting on a poll or by written resolution.

Loan enforcement shares carry one vote per investor if voting on a show of hands and one vote for each £1 of investor loan held if voting on a poll or by written resolution. Performance shares, sponsor warrant shares and management warrant shares do not carry voting rights, but shareholders are entitled to attend general meetings. Deferred shares and ESS shares entitle the holder to participate in a capital redemption or proceeds from sale of the company's equity share capital, subject to certain restrictions, but they do not carry any voting rights or rights to dividends.

Further details regarding the rights attached to the various classes of share capital are set out in the company's Articles of Association which can be obtained from the company's registered office.

# TAMAR ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

### 19. COMMITMENTS

#### Capital commitments

Contracted for but not provided - Group £Nil, (2019 - £Nil); Company £Nil, (2019 - £Nil).

#### Operating lease commitments

At 31 March 2020 the Group and Company were committed to making the following payments in respect of operating leases:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Land and buildings</b>				
Amounts payable:				
Not later than one year	663	748	293	387
Later than one year and not later than five years	2,368	2,512	1,173	1,231
Later than five years	10,686	11,238	6,151	4,764
	<u>13,717</u>	<u>14,498</u>	<u>7,617</u>	<u>6,382</u>
	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Other assets</b>				
Amounts payable:				
Not later than one year	145	14	145	11
	<u>145</u>	<u>14</u>	<u>145</u>	<u>11</u>

## TAMAR ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 March 2020

#### 20. RELATED PARTY TRANSACTIONS

Related parties	Nature of transaction	2020 £'000	2019 £'000
Sutton Grange Services Limited	Payment for services	(2,118)	(1,457)
	Balance owing at 31 March	-	-
Fred Walter & Sons Limited	Payment for rent	(85)	(80)
	Balance owing at 31 March	-	-
AH Worth and Company Limited	Payment for rent	(54)	(54)
	Balance owing at 31 March	(13)	-
	Receipt for wholesale electricity	877	763
	Balance owed at 31 March	-	-
Worth Farms Limited	Payment for services	(402)	(357)
	Balance owing at 31 March	-	-
QV Foods Limited	Payment for services	(73)	(43)
	Balance owing at 31 March	-	-
Sutton Grange AD Limited	Balance owing at 31 March	24,471	27,229
Holbeach Biogas Limited	Balance owing at 31 March	9,707	9,516

During the year the company purchased goods and services from Sutton Grange Services Limited, a company in which both M I Paulson and C F Walter, directors of Sutton Grange AD Limited, are also directors.

During the year the Sutton Grange AD Limited was charged rent by and has purchased goods from Fred Walter & Sons Limited, a company in which C F Walter, a director of Sutton Grange AD Limited, is also a director.

During the year, Holbeach Biogas Limited paid rent to AH Worth and Company Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director and shareholder. AH Worth and Company Limited purchased wholesale electricity from Holbeach Biogas Limited

During the year, Holbeach Biogas Limited purchased goods and services from Worth Farms Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director and shareholder.

During the year, Holbeach Biogas Limited purchased goods from QV Foods Limited, a company in which D R Worth, a director of Holbeach Biogas Limited, is also a director.

The Company is exempt from disclosing related party transactions which are with other group companies that are wholly owned within the Group.

#### 21. ULTIMATE CONTROLLING PARTY

The immediate parent company is Ancala Bioenergy Limited in whose consolidated financial statements the results of the Company are included. The financial statements of Ancala Bioenergy Limited are publicly available from Milton Parc, Milton Ernest, Bedford, Bedfordshire, MK44 1YU.

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.