

BIOGAS MEDEN LIMITED

Company registration number 09241453

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



**COMPANIES HOUSE
EDINBURGH**

28 SEP 2018

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BIOGAS MEDEN LIMITED

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BIOGAS MEDEN LIMITED

COMPANY INFORMATION

Directors	Christian Bracklow Leonhard Stadler (appointed 1 January 2018)
Registered number	09241453
Registered office	150 Aldersgate Street London EC1A 4AB
Accountants	Scott-Moncrieff Chartered Accountants Exchange Place 3 Sempie Street Edinburgh EH3 8BL

BIOGAS MEDEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017

Results

The profit for the year, after taxation, amounted to £510,353 (2016 - £79,289).

Directors

The directors who served during the year were:

Christian Bracklow

Torsten Warmbold (resigned 31 December 2017)

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

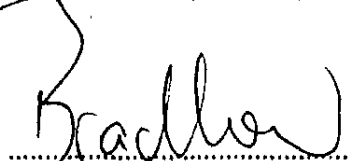
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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. They 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.

Post balance sheet events

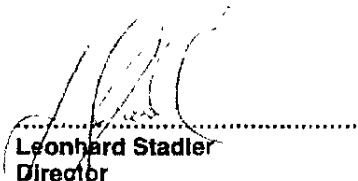
There have been no significant events affecting the Company since the year end.

This report was approved by the board and signed on its behalf by:



Christian Bracklow
Director

Date: 25 September 2018



Leonhard Stadler
Director

Date: 25 September 2018

BIOGAS MEDEN LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BIOGAS MEDEN LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Biogas Meden Limited for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes from the Company accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants of Scotland, we are subject to its ethical and other professional requirements which are detailed at www.icas.com/technical-resources/framework-for-the-preparation-of-accounts-revised-january-2017.

This report is made solely to the Board of Directors of Biogas Meden Limited, as a body, in accordance with the terms of our engagement letter dated 27 August 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Biogas Meden Limited and state those matters that we have agreed to state to the Board of Directors of Biogas Meden Limited, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at www.icas.com/technical-resources/framework-for-the-preparation-of-accounts-revised-january-2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Biogas Meden Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Biogas Meden Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Biogas Meden Limited. You consider that Biogas Meden Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Biogas Meden Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Scott-Moncrieff

Chartered Accountants

Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

27 September 2018

BIOGAS MEDEN LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	As restated 2016 £
Turnover		3,504,424	74,122
Cost of sales		(1,134,048)	(579,133)
Gross profit/(loss)		2,370,376	(505,011)
Administration expenses		(1,641,728)	(141,175)
Other operating income	3	67,678	738,733
Operating profit		796,326	92,547
Interest receivable and similar income		4,919	2,682
Interest payable and expenses		(158,161)	360
Profit on ordinary activities before taxation		643,084	95,589
Tax on profit	5	(132,731)	(16,300)
Profit on ordinary activities after taxation		510,353	79,289
Retained earnings at the beginning of the year		78,929	(360)
		78,929	(360)
Profit for the year		510,353	79,289
Retained earnings at the end of the year		589,282	78,929

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 15 form part of these financial statements.

BIOGAS MEDEN LIMITED
REGISTERED NUMBER:09241453

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	11,509,087	11,875,664
		<u>11,509,087</u>	<u>11,875,664</u>
Current assets			
Stocks	7	1,255,047	1,015,166
Debtors: amounts falling due within one year	8	2,235,565	1,730,901
Cash at bank and in hand		56,155	137,984
		<u>3,546,767</u>	<u>2,884,051</u>
Creditors: amounts falling due within one year	9	(13,696,636)	(14,046,004)
Net current liabilities		<u>(10,149,869)</u>	<u>(11,161,953)</u>
Total assets less current liabilities		<u>1,359,218</u>	<u>713,711</u>
Provisions for liabilities			
Deferred tax	10	(149,031)	(16,300)
Provision for deconstruction	11	(120,905)	(118,482)
		<u>(269,936)</u>	<u>(134,782)</u>
Net assets		<u><u>1,089,282</u></u>	<u><u>578,929</u></u>
Capital and reserves			
Called up share capital		500,000	500,000
Profit and loss account		589,282	78,929
		<u><u>1,089,282</u></u>	<u><u>578,929</u></u>

The directors consider that the Company is entitled to exemption from audit under section 479a 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 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.

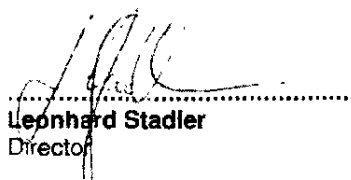
BIOGAS MEDEN LIMITED
REGISTERED NUMBER:09241453

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Christian Bracklow
Director

Date: 25 September 2018


.....
Leonhard Stadler
Director

Date: 25 September 2018

The notes on pages 8 to 15 form part of these financial statements.

BIOGAS MEDEN LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	As restated 2016 £
Cash flows from operating activities		
Profit for the financial year	510,353	79,289
Adjustments for:		
Depreciation of tangible assets	481,906	5,130
Loss on disposal of tangible assets	20,311	-
Taxation charge	132,731	16,300
(Increase) in stocks	(239,881)	(1,015,166)
(Increase) in debtors	(504,664)	(1,710,298)
Increase in creditors	260,001	207,626
(Decrease)/increase in amounts owed to groups	(609,369)	13,715,176
Increase in provisions	2,423	118,482
Net cash generated from operating activities	53,811	11,416,539
Cash flows from investing activities		
Purchase of tangible fixed assets	(169,313)	(11,778,554)
Sale of tangible fixed assets	33,673	-
Net cash from investing activities	(135,640)	(11,778,554)
Cash flows from financing activities		
Issue of ordinary shares	-	499,999
Net cash used in financing activities	-	499,999
Net (decrease)/increase in cash and cash equivalents	(81,829)	137,984
Cash and cash equivalents at beginning of year	137,984	-
Cash and cash equivalents at the end of year	56,155	137,984
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	56,155	137,984
	56,155	137,984

BIOGAS MEDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

These financial statements are presented in Pounds Sterling (GBP) as that is the currency in which the company's transactions are denominated. They comprise the financial statements of the company drawn up for the year ended 31 December 2017.

The principal activity of the company is the generation of gas.

Biogas Meden Limited is a private company limited by share capital and registered in England. Details of the registered office can be found on the company information page of these financial statements. The company's registration number is 09241453.

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 applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

With the continued support of the group company (BayWa r.e Bioenergy GmbH) the directors are confident that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.7 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.

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

Depreciation is provided on the following basis:

Plant and machinery	- 5% on cost.
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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 the Statement of Income and Retained Earnings.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.10 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.12 Creditors

Short term creditors are measured at the transaction price.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings, unless the cost is recognised as part of the cost of an asset, in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Other operating income

	2017	<i>As restated</i>
	£	2016
		£
Other operating income	27,679	738,733
Insurance claims receivable	39,999	-
	67,678	738,733

BIOGAS MEDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £Nil).

5. Taxation

	2017 £	2016 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	132,731	16,300
Total deferred tax	132,731	16,300
Taxation on profit on ordinary activities	132,731	16,300

Factors affecting tax charge for the year

Due to the availability of tax losses carried forward, there is no corporation tax charge in the current year.

Factors that may affect future tax charges

The company has tax losses available to carry forward against trading profits.

BIOGAS MEDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2017	11,880,793
Additions	169,313
Disposals	(53,984)
At 31 December 2017	<u>11,996,122</u>
Depreciation	
At 1 January 2017	5,129
Charge for the year on owned assets	481,906
At 31 December 2017	<u>487,035</u>
Net book value	
At 31 December 2017	<u><u>11,509,087</u></u>
At 31 December 2016	<u><u>11,875,664</u></u>

7. Stocks

	2017 £	2016 £
Raw materials and consumables	<u>1,255,047</u>	<u>1,015,166</u>
	<u><u>1,255,047</u></u>	<u><u>1,015,166</u></u>

BIOGAS MEDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Debtors

	2017 £	2016 £
Trade debtors	252,045	-
Other debtors	527,928	573,931
Prepayments and accrued income	1,455,592	1,156,970
	<u>2,235,565</u>	<u>1,730,901</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	313,390	215,559
Amounts owed to group undertakings	13,214,722	13,824,091
Other creditors	168,524	6,354
	<u>13,696,636</u>	<u>14,046,004</u>

10. Deferred taxation

	2017 £
At beginning of year	16,300
Charged to profit or loss	132,731
At end of year	<u>149,031</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	403,900	16,300
Tax losses carried forward	(254,869)	-
	<u>149,031</u>	<u>16,300</u>

BIOGAS MEDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

11. Provisions

	Provision for deconstruction £
At 1 January 2017	118,482
Utilised in year	2,423
At 31 December 2017	120,905

A provision is made in the accounts for reinstatement costs for Biogas Meden Limited to return the land to its original state after the lease ends. The expected reinstatement costs of £165,000 are discounted annually at an agreed rate of 1.65% over 21 years.

12. Prior year adjustments

Adjustments in the prior year consist only of a reallocation between other operating income and interest receivable and similar income. This has had no effect on profit or loss for the period.

Prior year figures for the cash flow have also been restated due to accrued interest showing as being received and paid. The adjustment had no impact on the overall cash flow balance for the year end.

13. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	76,677	71,400
Later than 1 year and not later than 5 years	306,708	285,600
Later than 5 years	1,073,478	1,133,890
	1,456,863	1,490,890

14. Controlling party

The company's parent undertaking is Biomethananlage Welbeck GmbH. The ultimate controlling party is BayWa r.e Bioenergy GmbH, a company incorporated in Germany, which also owns 100% of Biomethananlage Welbeck GmbH.

BIOGAS MEDEN LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	<i>As restated</i> 2016 £
Turnover	3,504,424	74,122
Cost of sales	(1,134,048)	(579,133)
Gross profit/(loss)	<u>2,370,376</u>	<u>(505,011)</u>
Other operating income	<u>67,678</u>	<u>738,733</u>
Less: overheads		
Administration expenses	(1,607,565)	(141,175)
Establishment expenses	(34,163)	-
Operating profit	<u>796,326</u>	<u>92,547</u>
Interest receivable	4,919	2,682
Interest payable	(158,161)	360
Tax on profit on ordinary activities	(132,731)	(16,300)
Profit for the year	<u>510,353</u>	<u>79,289</u>

BIOGAS MEDEN LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£	£
Turnover		
Sales	3,504,424	74,122
	3,504,424	74,122
	2017	2016
	£	£
Cost of sales		
Purchases	1,134,048	579,133
	1,134,048	579,133
	2017	<i>As restated</i>
	£	2016
		£
Other operating income		
Other operating income	27,679	738,733
Insurance claims receivable	39,999	-
	67,678	738,733

BIOGAS MEDEN LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Administration expenses		
Staff training	682	-
Entertainment	395	-
Telephone and fax	879	1,983
Legal and professional	54,721	20,668
Accountancy fees	-	(3,100)
Difference on foreign exchange	441	637
Sundry expenses	5,835	5,933
Rent	80,792	(415)
Electricity	118,238	63,720
Insurances	43,400	15,589
Repairs and maintenance	28,282	-
Depreciation	481,906	5,129
Profit/loss on sale of tangible assets	20,311	-
Management Charges	600,464	20,000
Agency staff	1,414	-
Bank charges	897	-
O&M costs	166,485	11,031
Reinstatement provision	2,423	-
	<u>1,607,565</u>	<u>141,175</u>
	2017 £	2016 £
Establishment		
Rates	34,163	-
	<u>34,163</u>	<u>-</u>
	2017 £	As restated 2016 £
Interest receivable		
Other interest receivable	4,919	2,682
	<u>4,919</u>	<u>2,682</u>

BIOGAS MEDEN LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£	£
Interest payable		
Group interest payable	158,161	(360)
	158,161	(360)