

LondonEnergy Ltd

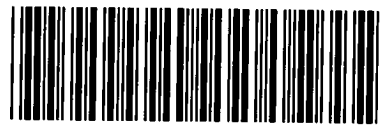
Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 02732548

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LondonEnergy Ltd

Company Information

Directors	P D Wynn R L Georgeson D J Lloyd T L Songini A P Sharpe M B Czulowski J E Kendall U Rottger
Company secretary	M B Czulowski
Registered number	02732548
Registered office	Ecopark Advent Way Edmonton London N18 3AG
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

LondonEnergy Ltd

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LondonEnergy Ltd

Strategic Report For the Year Ended 31 December 2019

Review of the Business

The principal business of LondonEnergy Ltd (the Company) is the generation of electricity from the thermal treatment of waste and the recycling and transfer of waste.

LondonEnergy had a negative trading year. Challenges around operational capacity in the Energy from Waste plant following the prior year incident meant that full production capacity could not be achieved for the majority of the year although the Company was able to process some third party spot waste and benefitted from improved electricity prices. Higher than expected prices for metal recyclates also positively impacted on revenue and profitability.

During the prior year an operational incident resulted in a loss of a percentage of the incineration and generation capacity. The incident was an insurable loss and a claim was accepted by the Company's insurers. Interim payments in relation to the claim were made during the year.

Principal risks and uncertainties

Price risk

The Company is exposed to market volatility in electricity prices. However, this is actively managed by the Company where possible to minimise short and medium-term uncertainty.

Operational risk

The electricity generating capacity of the Company is reliant on maintaining the resilience and availability of the ageing plant. In order to achieve this the Company embarked on a four-year life extension programme in 2016 and this planned capital investment continued through 2019.

Liquidity risk

The Company holds surplus funds in a current account and on deposit and these balances are subject to the risk of failure by the institutions holding them. The risk is minimised by assessing the financial stability of the banks holding these funds.

The Company has a defined benefit pension scheme which has been closed to new entrants since 2004 and was closed to future accrual on 31 December 2018.

Regular employer pension contributions are made to the fund in respect of the deficit reduction plan agreed with the Pension Regulator, as well as meeting the fund's expenses.

In order to remove risk from the scheme the trustees have a long-term plan to gradually switch investment in equities into bonds as the scheme heads towards maturity. As at December 2019 the scheme has an accounting surplus, which the Company has not recognised.

Analysis of the development and performance of the business

The Company operates a waste management contract for the North London Waste Authority (NLWA) which extends to 31 December 2025 and for Hertfordshire County Council which expires on 31 December 2020. A further contract with Hertfordshire County Council was entered into in the year which extends from 1 April 2021 to 31 March 2023.

In December 2018 the NLWA announced that it is working with the Company towards an award of a contract to manage the waste collected by the seven north London Boroughs and to operate the replacement Energy Recovery Facility (ERF) at Edmonton EcoPark. The ERF is planned as part of the Authority's North London Heat and Power Project (the Project) having been granted a Development Consent Order to construct and operate an ERF and associated developments for the effective management of waste onsite.

LondonEnergy Ltd

Strategic Report (continued) For the Year Ended 31 December 2019

Analysis of the position of the business

The Company successfully delivered the requirements of its waste contracts through 2019 and had sufficient excess capacity to manage some spot market third party waste, generating additional revenue and profitability.

The balance sheet as at 31 December 2019 is strong with cash reserves of £12,582,000 and the Company has been debt free for several years. The current programme of capital investment in the life extension programme, whilst fundable within Company resources, will require a significant element of the Company's cash reserves.

Analysis using financial key performance indicators

Turnover for the year was £64,991,000 and the loss before tax was £1,442,000. The Statement of Financial Position on page 12 of the financial statements shows that the Company's net assets of £58,708,000 represented a decrease of 2.9% compared to the previous year.

The Company is committed to maximising the percentage of waste which is either recycled or converted to electricity and to minimising the amount of waste being landfilled. In 2019 the amount recycled or converted to electricity totalled 99.2% (2018: 96.5%).

Directors' duties and s172 statement

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006 which can be summarized as follows:

A director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with customers, suppliers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company to maintain a reputation for high standards of business conduct, and;
- the need to act fairly between members of the Company

As part of their induction a Director is briefed on their duties and they are given professional advice on these from an independent advisor. The Directors fulfil their duties partly through a governance framework that delegates day to day decision making to employees of the Company. They also fulfil their duties, which include the requirements listed above, through:

Risk Management

It is essential that the Company identifies, evaluates, manages and mitigates the risks it faces in its operation. This is done through the monitoring of risk at Company and departmental level. The Audit and Risk Committee is responsible for reporting to the Board the results of this monitoring.

Our People

The Company is committed to being a responsible business. Our values and behaviours are aligned with the expectations of our people, customers, communities and the society we serve. People are central to the success of our endeavour and to succeed we need to manage performance and develop talent whilst ensuring we operate as efficiently as possible. We also must ensure that our common values inform and guide our behavior so that we achieve our goals in the right way.

LondonEnergy Ltd

Strategic Report (continued) For the Year Ended 31 December 2019

The Board is committed to achieving Great Place to Work status. It shares its vision with its people through inclusion in Company and departmental objective setting and uses several methods of communication including weekly Teams meetings, newsletters, toolbox talks, and social media. It solicits feedback through several avenues including monthly and annual employee surveys and has a Recognition Agreement with represented trades unions.

All employees are paid at least the London Living Wage.

Business Relationships

We are an essential industry serving and owned by the communities of North London. To ensure that we continue to succeed we need to develop and maintain strong customer relationships. Additionally, we value all our suppliers and have multi-year contracts with our key suppliers.

During the year, a new contract with Hertfordshire County Council which extends from 1 April 2021 to 31 March 2023 was agreed with negotiations concluded successfully.

Community and Environment

As a regulated industry, ensuring that our operation is beneficial to the community and the environment is critical. We publish information on our website and interact with our communities in a number of ways, including social media, site visits and interaction with educational bodies.

Shareholders

The Board is committed to openly engaging with our shareholder, as we recognise the importance of a continuing constructive dialogue. It is important that our strategy and objectives are clearly explained, feedback heard, and issues or questions raised properly considered.

During the year we continued to have constructive dialogue with our shareholder in connection with an award of a contract to operate the replacement Energy Recovery Facility (ERF) at Edmonton EcoPark.

The Company undertakes stakeholder mapping to ensure that all Stakeholders relationships are understood and nurtured.

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



A P Sharpe
Director

Date: 19/05/2020

LondonEnergy Ltd

Directors' Report For the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements 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;
- 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 responsible for keeping 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,442,000 (2018 - profit £977,000).

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

Directors

The directors who served during the year were:

P D Wynn - Chair
R L Georgeson
S L Forrest (resigned 24 January 2019)
D J Lloyd
T L Songini
A P Sharpe
M B Czulowski
J E Kendall
U Rottger (appointed 18 July 2019)

LondonEnergy Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

Employment Policies

People with disabilities

The Company operates an equal opportunities employment policy and is opposed to all forms of discrimination.

Applicants for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate adjustments and training are arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee Involvement

The Company recognises the importance of its employees and is committed to effective two-way communication and consultation.

Company policies and procedures are published on the Company intranet, which is accessible to all employees.

The Company communicates information of concern to employees in a number of ways; by team briefing, newsletter, through union representation and by direct communication. The information in these publications and briefings cover a wide range of subjects that affect the business.

Where it is identified that operational changes are required to meet business or health and safety needs which affect employees the Company consults with groups and individuals at both a functional and Company-wide level.

An annual employee survey is undertaken in December of each year to seek input from employees to inform the Company's employee strategies. The Company also carries out a monthly survey to ascertain employee satisfaction.

The Company continues to promote best practice in Health and Safety by all employees, through its training and communication initiatives.

The Company encourages the involvement of employees in the performance of the Company through participation in a bonus scheme on successful achievement of Company performance targets.

The Company promotes highly skilled opportunities for graduates and apprentices through structured programmes.

The Company recognises the rights of every employee to join a trade union and participate in its activities.

LondonEnergy Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

Gender Pay Gap

The Company has calculated the gender pay gap in the organisation in April 2019.

The mean gender pay gap is: 0.03%. The mean pay for women is higher.

The median gender pay gap is: 16.8%. The median pay for women is higher.

The mean bonus pay gap is: 6.7%. The mean bonus pay for men is higher.

The median bonus pay gap is: 0.03%. The median bonus pay for men is higher.

The percentage in each pay quartile by gender is:

Quartile Analysis		
Quartile	% Males	% Females
Lower Quartile	91.2	8.8
Lower Middle Quartile	92.4	7.6
Upper Middle Quartile	91.2	8.8
Upper Quartile	87.3	12.7

Post Balance Sheet Events

Subsequent to the balance sheet date, the COVID-19 outbreak has escalated to a global pandemic. The impact of this has been considered on the financial statements up to the date of signing. The impact on the going concern assessment has been considered in note 2.1. No further adjustments are deemed necessary in respect of this matter.

Matters covered in the strategic report

As permitted by paragraph 1A of schedule 7 to the Large and Medium Sized Companies and groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors Report have been omitted as they are included in the Strategic Report on pages 1-2. These matters relate to the principal activity and financial risks.

LondonEnergy Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
A P Sharpe
Director

Date: 19/05/2020

LondonEnergy Ltd

Independent Auditor's Report to the Members of LondonEnergy Ltd

Opinion

We have audited the financial statements of LondonEnergy Ltd (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 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.

LondonEnergy Ltd

Independent Auditor's Report to the Members of LondonEnergy Ltd (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

LondonEnergy Ltd

Independent Auditor's Report to the Members of LondonEnergy Ltd (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 Company or to cease operations, or have no realistic alternative but to do so.

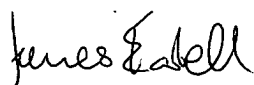
Auditor's responsibilities for the audit of the financial statements

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



James Eastell (Senior Statutory Auditor)

for and on behalf of
BDO LLP, Statutory Auditor

55 Baker Street
London
W1U 7EU

Date: 19 05 2020

LondonEnergy Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £000	2018 £000
Turnover	4	64,991	65,696
Insurance recoveries for repair costs	5	1,265	543
Cost of sales		(59,370)	(55,078)
Gross profit		6,886	11,161
Administrative expenses		(8,437)	(9,935)
Operating (loss)/profit	6	(1,551)	1,226
Interest receivable and similar income	10	67	95
Interest payable and expenses	11	(29)	(24)
Other finance income	12	71	66
(Loss)/profit before tax		(1,442)	1,363
Tax on (loss)/profit	13	360	(386)
(Loss)/profit for the financial year		(1,082)	977
Other comprehensive income for the year			
Actuarial gains/(losses) on defined benefit pension scheme		(971)	(307)
Pension scheme surplus movement not recognised		273	351
Other comprehensive income for the year		(698)	44
Total comprehensive income for the year		(1,780)	1,021


The notes on pages 16 to 34 form part of these financial statements.

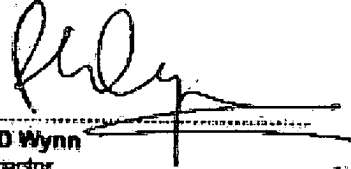
LondonEnergy Ltd
Registered number: 02732548

Statement of Financial Position
As at 31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	14	43,321	41,803
Current assets			
Stocks	15	2,953	2,390
Debtors: amounts falling due within one year	16	13,009	12,930
Bank and cash balances		12,582	18,944
		<u>28,544</u>	<u>34,264</u>
Creditors: amounts falling due within one year	17	(11,279)	(13,803)
Net current assets		<u>17,265</u>	<u>20,461</u>
Total assets less current liabilities		<u>60,586</u>	<u>62,264</u>
Deferred tax	18	(1,878)	(1,776)
Net assets		<u>58,708</u>	<u>60,488</u>
Capital and reserves			
Called up share capital	19	31,196	31,196
Share premium account		1,648	1,648
Profit and loss account		25,864	27,644
		<u>58,708</u>	<u>60,488</u>

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


.....
A P Sharpe
Director


.....
P D Wynn
Director

Date: 19/05/2020

The notes on pages 16 to 34 form part of these financial statements.

LondonEnergy Ltd

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2018	31,196	1,648	26,623	59,467
Comprehensive income for the year				
Profit for the year	-	-	977	977
Other comprehensive income: movement on pension scheme surplus	-	-	44	44
Total comprehensive income for the year	-	-	1,021	1,021
At 1 January 2019	31,196	1,648	27,644	60,488
Comprehensive income for the year				
Loss for the year	-	-	(1,082)	(1,082)
Other comprehensive income: movement on pension scheme surplus	-	-	(698)	(698)
Total comprehensive income for the year	-	-	(1,780)	(1,780)
At 31 December 2019	31,196	1,648	25,864	58,708

The notes on pages 16 to 34 form part of these financial statements.

LondonEnergy Ltd

Statement of Cash Flows For the Year Ended 31 December 2019

	2019 £000	2018 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,082)	977
Adjustments for:		
Depreciation of tangible assets	5,317	4,786
Gain on disposal of tangible assets	(19)	-
Interest paid	29	24
Interest received	(67)	(95)
Taxation charge	(360)	386
(Increase) in stocks	(563)	(459)
(Increase) in debtors	(674)	(2,298)
Increase in amounts owed by groups	(85)	(234)
(Decrease) in creditors	(1,058)	(952)
Increase/(decrease) in provisions	-	(750)
Difference between defined benefit pension costs and cash paid	(627)	120
Corporation tax (paid)	(324)	(339)
Other finance (income)/costs	(71)	(66)
Net cash generated from operating activities	416	1,100
Cash flows from investing activities		
Purchase of tangible fixed assets	(6,869)	(4,861)
Sale of tangible fixed assets	53	-
Interest received	67	95
Net cash from investing activities	(6,749)	(4,766)

LondonEnergy Ltd

Statement of Cash Flows (continued) For the Year Ended 31 December 2019

	2019 £000	2018 £000
Cash flows from financing activities		
Interest paid	(29)	(24)
Net cash used in financing activities	(29)	(24)
Net (decrease) in cash and cash equivalents	(6,362)	(3,690)
Cash and cash equivalents at beginning of year	18,944	22,634
Cash and cash equivalents at the end of year	12,582	18,944
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,582	18,944
	12,582	18,944

The notes on pages 16 to 34 form part of these financial statements.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the majority of the Company's transactions are denominated. They comprise the financial statements of the Company for the year ended 31 December 2019 and presented to the nearest £'000.

The Company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The address of its registered office is Ecopark, Advent Way, Edmonton, London, N18 3AG.

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 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 in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

In light of the current coronavirus pandemic the Company has reviewed the scenarios that potentially impact the company. Those that present most concern is the availability of key workers to man operations and an increase in waste volumes arising from the closure of Resource Recovery Centres (RRCs).

Going concern

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

In light of the current coronavirus pandemic the Company has reviewed the scenarios that potentially impact the company. Those that present most concern is the availability of key workers to man operations and an increase in waste volumes arising from the closure of Resource Recovery Centres (RRCs).

In respect of being able to operate key facilities:

The company has been classified as operating an essential service, and the staff have been designated as key workers, in recognition of the key role that our business has in managing London's waste, and providing baseload electricity. As a result, the Board do not consider that operations would be prevented from operating by the government.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

With regard to the availability of key workers to operate the facilities the company has put in place robust contingency plans to ensure the health and safety of workers, whilst allowing the continuation of our essential service, including the use of contractors to cover the impact of absences. The headlines of the company's operational review are set out below:

- the company has reviewed all of the minimum manning levels;
- the company has reviewed all of our key operation posts to ensure that not only can the company operate at minimum levels but that the right expertise is in place; and
- suppliers of key agency staff have been contacted and contingency plans have been reviewed

Management have reviewed back-office resources and procedures to ensure the company can function remotely, continue to pay staff and agency staff and issue invoices. Staff can operate remotely with full access to the network and IT systems, and the business can operate with a reduced level of staffing which will be able to span sickness periods. The company has contacted key customers to ensure that they have sufficient resilience in place to process invoices and make payments.

As a result of this review, the Board is assured that the business would not be prevented from operating due to unavailability of key workers.

In respect of increases in waste volumes:

As a consequence of lockdown, a number of RRCs in North London boroughs are temporarily closed. The company has operated under a lockdown scenario for several weeks and has observed a modest increase in waste volumes. Management have estimated that waste volumes may be up to 20% higher for 6 months, leading to higher operating costs.

Based on the above analysis, the directors have run downside cash flow scenarios reflecting reasonably possible impacts that may arise from the COVID 19 global pandemic which include the combined impact of the loss of key staff to man operations (leading to higher unplanned outages and operational inefficiencies) and an increase in waste volumes arising from the closure of RRCs.

As a result of the directors' assessments, which include considering "reverse stress tests" in relation to the costs of running operations, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information will be included in the consolidated financial statements of North London Waste Authority as at 31 March 2019 and these financial statements may be obtained from <http://www.nlwa.gov.uk/>.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.3 Turnover

Revenue is recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax. Revenue is recognised when an amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. This will take effect either when waste is delivered by a customer, electricity is exported or operational services are provided.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Freehold property	- 5-7% per annum on cost
Plant and machinery	- 6.66-20% per annum on cost
Motor vehicles	- 12.5-25% per annum on cost
Office equipment	- 12.5-25% per annum on cost
Works on freehold land	- 2% per annum on cost
Capital work in progress	- not depreciated until brought into use

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 Comprehensive Income.

2.5 Stocks

Stocks consist of consumables and are valued at the lower of cost and net realisable value after making due allowance for obsolescence.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Amounts included within cash and cash equivalents include a total of £3,721,983 (2018: £Nil) that are placed under letters of credit to third parties that expire within one year of the balance sheet date.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.11 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.12 Pensions (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

The defined benefit scheme closed for ongoing contributions on 31 December 2018.

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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 Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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 reporting date.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.16 Grants received

Government grants received on capital expenditure are initially recognised within deferred income on the Company's statement of financial position and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 14)

Tangible fixed assets, other than freehold land, are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Pension scheme assets/liabilities (see note 21)

The calculation of the defined benefit pension scheme valuation involves the use of actuarial assumptions.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

5. Insurance recoveries for repair costs

During 2018 one of the turbines in the plant was damaged. Costs of £157,000 (2018 - £543,000) have been recovered from the insurers and are included within cost of sales. A further £1,108,000 (2018 - £Nil) of costs have been incurred which have not yet been recovered from the insurers, however the recovery of these costs has been recognised within the Statement of Comprehensive Income by the directors as it is deemed virtually certain that the costs will be recovered.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Depreciation of tangible fixed assets	5,317	4,779
Amortisation of grants	(113)	(113)
Rent - operating leases	117	114
Other operating leases	1,251	694
Defined benefit pension cost	-	405

During the year, the value of inventories that were expensed into the profit and loss account amounted to £1,714,000 (2018: £2,148,000).

7. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	39	37
Fees payable to the Company's auditor and its associates in respect of:		
Tax compliance services	8	8
All other services	4	-
	12	8

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	14,422	13,806
Social security costs	1,463	1,396
Cost of defined benefit scheme	-	405
Cost of defined contribution scheme	896	397
	<u>16,781</u>	<u>16,004</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Average number of persons employed by the Company	<u>331</u>	<u>317</u>

9. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	777	678
Company contributions to defined contribution pension schemes	57	47
Compensation for loss of office	-	26
	<u>834</u>	<u>751</u>

During the year retirement benefits were accruing to 5 directors (2018 -6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £313,867 (2018 - £228,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £34,644 (2018 - £24,000).

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

10. Interest receivable

	2019 £000	2018 £000
Other interest receivable	67	95

11. Interest payable and similar expenses

	2019 £000	2018 £000
Loans from group undertakings	29	24

12. Other finance income/(costs)

	2019 £000	2018 £000
Interest income on pension scheme assets	885	823
Interest cost on pension scheme liabilities	(814)	(757)
	71	66

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

13. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	-	539
Adjustments in respect of previous periods	(463)	46
Total current tax	(463)	585
Deferred tax		
Origination and reversal of timing differences	18	(199)
Adjustment in respect of previous periods	85	-
Total deferred tax	103	(199)
Taxation on (loss)/profit on ordinary activities	(360)	386

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £000	2018 £000
(Loss)/profit on ordinary activities before tax	(1,442)	1,363
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(274)	260
Effects of:		
Fixed asset differences	49	-
Expenses not deductible for tax purposes	17	120
Losses carried back	358	-
Adjustments to tax charge in respect of prior periods	(463)	46
Adjustments to deferred tax in respect of previous periods	85	-
Defined benefit pension contributions paid	(119)	-
Non-taxable income	(13)	(40)
Total tax charge for the year	(360)	386

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

14. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Capital work in progress £000	Total £000
Cost or valuation						
At 1 January 2019	32,831	90,764	1,202	3,495	3,101	131,393
Additions	-	-	-	75	6,794	6,869
Disposals	-	(246)	(234)	-	(34)	(514)
Transfers between classes	417	2,524	137	3,422	(6,500)	-
At 31 December 2019	33,248	93,042	1,105	6,992	3,361	137,748
Depreciation						
At 1 January 2019	18,070	68,307	1,025	2,188	-	89,590
Charge for the year	567	4,028	86	636	-	5,317
Disposals	-	(246)	(234)	-	-	(480)
At 31 December 2019	18,637	72,089	877	2,824	-	94,427
Net book value						
At 31 December 2019	14,611	20,953	228	4,168	3,361	43,321
At 31 December 2018	14,761	22,457	177	1,307	3,101	41,803

Included in land and buildings is freehold land at a cost of £11,775,000 (2018: £11,775,000) which is not depreciated.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

15. Stocks

	2019 £000	2018 £000
Consumables	2,953	2,390

16. Debtors

	2019 £000	2018 £000
Trade debtors	1,799	3,550
Amounts owed by group undertakings	6,326	7,275
Other debtors	357	-
Prepayments and accrued income	4,527	2,105
	13,009	12,930

17. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	2,405	4,854
Amounts owed to group undertakings	1,779	2,813
Corporation tax	-	433
Other taxation and social security	587	593
Other creditors	166	118
Accruals and deferred income	6,342	4,992
	11,279	13,803

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

18. Deferred taxation

	2019 £000	2018 £000
At beginning of year	(1,776)	(1,975)
Credited to profit or loss	(102)	199
At end of year	(1,878)	(1,776)

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	(1,878)	(1,776)

19. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
31,195,874 (2018 -31,195,874) Ordinary shares of £1.00 each	31,196	31,196

The share premium reserve reflects consideration received for shares issued above the nominal value of the shares. There is no restriction on the use of this amount.

20. Capital commitments

At 31 December 2019 the Company had capital commitments as follows:

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	6,807	4,389

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

21. Pension commitments

The Company's pension arrangements comprise a group personal pension scheme (defined contribution scheme) and a defined benefit scheme. The defined benefit scheme was closed to members contributions as of 31 December 2018. The most recent actuarial valuation for the defined benefit scheme took place on the 31 December 2019. The Company propose to pay an additional annual contribution of £586,000 for each of the years 2020 to 2027, with a review of this amount in 2021.

Defined contribution scheme

During the year the Company made contributions of £896,000 (2018: £398,000) to its defined contribution scheme and other personal pension arrangements for employees.

Defined benefit scheme

The LondonWaste Limited pension scheme is a final salary scheme plan that was available to qualifying employees of the Company. The scheme has been closed to new entrants since 2004 and as of 31 December 2018 the scheme was closed to future accrual. As at December 2019 the scheme has an accounting surplus, which the Company has not recognised.

Reconciliation of present value of plan liabilities:

	2019 £000	2018 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	(30,912)	(31,448)
Current service cost	-	(413)
GMP equalisation cost	-	(285)
Early retirement augmentation cost	-	(1,296)
Curtailments	-	839
Interest cost	(814)	(757)
Actuarial gains/(losses)	(3,196)	1,184
Contributions	(7)	(93)
Benefits paid	2,850	1,357
At the end of the year	(32,079)	(30,912)

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

21. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2019 £000	2018 £000
At the beginning of the year	32,901	33,788
Interest income	885	823
Actuarial (losses)/gains	2,225	(1,491)
Contributions	634	1,138
Benefits paid	(2,850)	(1,357)
At the end of the year	33,795	32,901

Composition of plan assets:

	2019 %	2018 %
Equity	37	34
Debt	57	53
Other	6	13
Total plan assets	100	100

The expected return on plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced.

	2019 £000	2018 £000
Fair value of plan assets	33,795	32,901
Present value of plan liabilities	(32,079)	(30,912)
Less derecognition of surplus	(1,716)	(1,989)
Net pension scheme liability	-	-

The Company has not recognised the pension surplus as an asset as it does not have the unconditional right to cover the surplus through reduced contributions in the future or through refunds from the plan.

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

21. Pension commitments (continued)

The amounts recognised in profit or loss in respect of the pension scheme are as follows:

	2019 £000	2018 £000
Current service cost	-	(413)
GMP equalisation cost	-	(285)
Early retirement augmentation cost	-	(1,296)
Curtailments	-	839
Interest on obligation	(814)	(757)
Interest income on plan assets	885	823
Total	71	(1,089)

The net finance income on scheme assets and obligations is £71,000 (2018: £66,000) and is included in other finance income/(costs). All other pension costs are included in cost of sales.

	2019 £000	2018 £000
Analysis of actuarial gain/(loss) recognised in Other Comprehensive Income		
Actual return less interest income included in finance income	2,225	(1,491)
Experience gains and (losses) arising on the scheme liabilities	(618)	(301)
Changes in assumptions underlying the present value of the scheme liabilities	(2,578)	1,485
	(971)	(307)

Principal actuarial assumptions at the Statement of Financial Position date (expressed as weighted averages):

	2019 %	2018 %
Discount rate at 31 December	2.00	2.80
Future salary increases	0	C
Future pension increases	3.10	3.30

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

21. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019 £000	2018 £000	2017 £000	2016 £000
Defined benefit obligation	(32,079)	(30,912)	(31,448)	(31,356)
Scheme assets	32,079	30,912	31,448	31,356
Surplus/(deficit)	-	-	-	-
Experience adjustments on scheme liabilities	(618)	(301)	(68)	105
Experience adjustments on scheme assets	2,225	(1,491)	1,036	3,941
	1,607	(1,792)	968	4,046

LondonEnergy Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

22. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Plant & machinery		
Not later than 1 year	876	853
Later than 1 year and not later than 5 years	1,849	2,223
Later than 5 years	14	489
	<u>2,739</u>	<u>3,565</u>
	2019 £000	2018 £000
Land & buildings		
Not later than 1 year	121	116
Later than 1 year and not later than 5 years	521	502
Later than 5 years	128	263
	<u>770</u>	<u>881</u>

23. Related party transactions

The Company is 100% owned and controlled by the North London Waste Authority (NLWA). Balances and transactions between the Company and NLWA are not disclosed, as permitted by the exemption contained in Financial Reporting Standard 102 Section 33 'Related Party Disclosures' paragraph 33.11A.

24. Controlling party

The immediate and ultimate parent company is North London Waste Authority, an entity established in the United Kingdom, whose registered office is North London Waste Authority, Berol House, Unit 1B, 25 Ashley Rd, Tottenham, London, N17 9LJ.

The smallest and largest group into which the results of the Company are consolidated is North London Waste Authority. These financial statements are available to the public and may be obtained from the registered office or website at <http://www.nlwa.gov.uk/>.

25. Post balance sheet events

Subsequent to the balance sheet date, the COVID-19 outbreak has escalated to a global pandemic. The impact of this has been considered on the financial statements up to the date of signing. The impact on the going concern assessment has been considered in note 2.1. No further adjustments are deemed necessary in respect of this matter.