

Fibre Power (Slough) Limited

Directors' report and financial statements

Year ended 31 March 2019

Registered No.: 02902170



Fibre Power (Slough) Limited

Contents

	Page No.
Directors and other information	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements	5
Independent auditor's report to the members of Fibre Power (Slough) Limited	6
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes on the financial statements	11

Fibre Power (Slough) Limited

Directors and Other Information

Directors

J. Mullen
M. Hayward

Registered office

No.1 Forbury Place
43 Forbury Road
Reading
RG1 3JH

Secretary

B. Sharma (resigned 19 August 2019)
M.S.Khalid (appointed 19 August 2019)

Auditor

KPMG LLP
Chartered Accountants
Arlington Business Park
Theale, Reading
RG7 4SD

Registered number

02902170

Fibre Power (Slough) Limited

Strategic report

The directors submit their report and audited financial statements of Fibre Power (Slough) Limited (the 'Company') for the year ended 31 March 2019.

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform shareholders and help them assess how the directors have performed their duty to promote the success of the Company.

The Strategic and Financial Review sets out the main trends and factors underlying the development and performance of the Company during the year ended 31 March 2019, as well as those matters which are likely to affect its future development and performance.

1 Business review

The Company generates electricity from a 12MW waste wood plant and is Renewable Obligation Certificate (ROC) accredited.

Whilst the Company owns the plant, operational staffing is provided through Slough Heat and Power Limited. Slough Heat and Power Limited being the service company for the Slough Heat and Power group of companies located at Slough, Berkshire, of which, the Company is a member.

The profit and loss account for the year ended 31 March 2019 is set out on page 8. The loss for the year after taxation amounted to £2,305k (2018: profit of £1,048k). The balance sheet at 31 March 2019 is set out on page 9 and indicates net liabilities of £3,205k (2018: £900k). Turnover improved due to increased generation output. Costs, however, grew as a result of the reassessment of Slough Heat & Power administrative costs across group companies along with the reassessment in the methodology for apportioning the decommissioning provision unwind.

2 Principal risks and uncertainties

The directors acknowledge that they have responsibility for the Company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the directors have regard to what controls, in their judgement, are appropriate to the Company's business and to the relative costs and benefits of implementing specific controls.

The main financial risks that the Company could face have been considered by the directors and the Group's Risk and Trading Committee. These include mechanical failure of the Company's plant, competition, availability of fuel, wholesale market prices of electricity, gas and other commodities, economic regulation and government policies. Regular maintenance programs are in place to monitor the effective and efficient output of the plant. Management meetings are held at least monthly to address current market factors.

The adoption of IFRS 15 had no impact on the presentation of the financial statements for the year ended 31 March 2019.

The adoption of IFRS 9 had no impact on the presentation of the financial statements for the year ended 31 March 2019.

The Company transacts with other companies within the SSE plc group and is a key part of the Group's business and strategies. The principal risks and uncertainties faced by the Group are set out in the Group's annual report.

The directors are aware of the political uncertainty as a result of Brexit. This is being closely monitored by the directors, but is not considered to have a significant impact on the accounts for the year ended 31 March 2020.

Fibre Power (Slough) Limited

Strategic report *(continued)*

3 Key performance indicators

The directors believe that the following indicators will provide shareholders with sufficient information to assess how effectively the Company is performing.

Financial	2019 £000	2018 £000
Turnover	9,476	11,037
Gross profit	1,177	4,849

On behalf of the board



J. Mullen
Director
13 February 2020

Fibre Power (Slough) Limited

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 March 2019.

1 Principal activities

Fibre Power (Slough) Limited's ('the Company') principal activity is the generation and sale of electricity from a 12MW waste wood plant to SSE EPM Limited, a related company.

2 Results and dividends

The loss for the financial year amounted to £2,305k (2018: profit of £1,048k).

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

3 Directors

The directors and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the Company the directors are not required to retire by rotation.

4 Post balance sheet events

There have been no significant events since the balance sheet date.

5 Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

6 Political and charitable donations

The Company did not make any political or charitable donations during the year (2018: £nil).

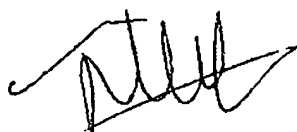
7 Auditor

In accordance with Section 489 of the Companies Act 2006, Ernst and Young LLP were appointed as SSE Group's External Auditor for the year ending 31 March 2020 at the Annual General Meeting held on 18 July 2019. Following their appointment as External Auditor of the Group, it is the intention of the directors to appoint Ernst & Young LLP as External Auditor of the Company.

8 Going concern

The directors have assessed that the Company will prepare its financial statements on a going concern basis, see note 1 for details.

On behalf of the Board:



J. Mullen
Director
13 February 2020

Fibre Power (Slough) Limited

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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

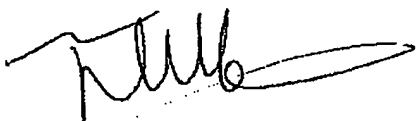
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure Framework.

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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board:



J. Mullen
Director
13 February 2020

Independent Auditor's Report to the Members of Fibre Power (Slough) Limited

Opinion

We have audited the financial statements of Fibre Power (Slough) Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

• Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Fibre Power (Slough) Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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 Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Arlington Business Park
Theale, Reading
RG7 4SD
14 February 2020

Fibre Power (Slough) Limited

Profit and Loss Account for the year ended 31 March 2019

	Note	2019 £000	2018 £000
Turnover	2	9,476	11,037
Cost of sales		(8,299)	(6,188)
Gross profit		1,177	4,849
Administrative costs		(3,649)	(3,208)
Operating (loss)/profit	3	(2,472)	1,641
Interest payable and similar charges	6	(376)	(399)
(Loss)/profit before taxation		(2,848)	1,242
Tax on profit	7	543	(194)
(Loss)/profit for the financial year		(2,305)	1,048

Continuing operations

The above results are derived from continuing activities.

Total other comprehensive income

The accompanying notes are an integral part of these financial statements.

The Company had no other comprehensive income in the current or prior financial years.

Fibre Power (Slough) Limited

Balance Sheet as at 31 March 2019

	Note	2019 £000	2018 £000
Non Current assets			
Tangible fixed assets	8	9,728	9,022
Deferred tax	14	487	490
Group debtors falling due after one year		4,200	-
		<u>14,415</u>	<u>9,512</u>
Current assets			
Stock	9	761	744
Debtors: amounts falling due within one year	10	2,001	8,766
Total current assets		<u>2,762</u>	<u>9,510</u>
Current liabilities			
Creditors: amounts falling due within one year	11	<u>(6,288)</u>	<u>(4,344)</u>
Net current (liabilities) / assets		<u>(3,526)</u>	<u>5,166</u>
Total assets less current liabilities		<u>10,889</u>	<u>14,678</u>
Creditor: amounts falling due after more than one year	12	<u>(3,523)</u>	<u>(6,997)</u>
Provisions for liabilities and charges	13	<u>(10,571)</u>	<u>(8,581)</u>
Net liabilities		<u>(3,205)</u>	<u>(900)</u>
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account		(17,963)	(15,658)
Capital contribution		14,758	14,758
Equity Shareholders' deficit		<u>(3,205)</u>	<u>(900)</u>

The accompanying notes form an integral part of this balance sheet.

These financial statements were approved by the directors on 13 February 2020 and signed on their behalf by:



J. Mullen
Director
Fibre Power (Slough) Limited
Company registered number: 02902170

Fibre Power (Slough) Limited

Statement of Changes in Equity for the year ended 31 March 2019

	Retained earnings £000	Capital contribution £000	Total equity £000
Balance at 1 April 2017	(16,706)	14,758	(1,948)
Profit for the financial year	1,048	-	1,048
Balance at 31 March 2018	<u>(15,658)</u>	<u>14,758</u>	<u>(900)</u>
Balance at 1 April 2018	(15,658)	14,758	(900)
Loss for the financial year	(2,305)	-	(2,305)
Balance at 31 March 2019	<u>(17,963)</u>	<u>14,758</u>	<u>(3,205)</u>

Fibre Power (Slough) Limited

Notes on the financial statements for the year ended 31 March 2019

1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with all applicable United Kingdom accounting standards. The principal accounting policies are summarised below and have been applied consistently.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- The effect of new, but not yet effective, IFRSs;
- Disclosures in respect of the compensation of key management personnel;
- Disclosures in respect of capital management; and
- Related party disclosures.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the Company has also taken advantage of the exemptions, under FRS 101, available in respect of the following disclosure:

- Certain disclosures required by *IFRS 13 Fair value measurement* and the disclosures required by *IFRS 7 Financial instrument* disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern

Notwithstanding net current liabilities of £3.5m as at 31 March 2019 and a loss for the year then ended of £2.3m the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, SSE Plc, not seeking repayment of the amounts currently due to the group, which at 31 March 2019 amounted to £5.6m. SSE Plc has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover, stated exclusive of value added tax, relates to the income from the generation of electricity. All turnover arises in the UK.

Fibre Power (Slough) Limited

Notes on the financial statements *(continued)* for the year ended 31 March 2019

1 Significant accounting policies *(continued)*

Interest

Interest receivable comprises interest earned on funds invested. Interest paid comprises interest paid on borrowings and the release of discounting on provisions. Interest income and costs are recognised in the profit and loss as they accrue, on an effective interest method.

Taxation

The credit for taxation is based on the profit for the year and takes into account deferred taxation.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Tangible fixed assets

All tangible fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is provided on tangible fixed assets to write off cost or revalued amounts, less residual values, on a straight-line basis over their estimated operational lives. The estimated operational lives are as follows:

	Years
Generation assets	20
Decommissioning assets	14

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's net book value is written down immediately to its recoverable value if the net book value is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the net book value and are recognised in the profit and loss account.

Expenditure incurred to replace a component of a tangible fixed asset that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the tangible fixed asset to which it relates.

Decommissioning

Provision is made for the net present value of the estimated cost of decommissioning generation assets at the end of the useful lives. The estimates are based on technology and prices at the balance sheet date. A corresponding decommissioning asset is recognised and is included within tangible fixed assets when the provision gives access to future economic benefits. Changes in these provisions are recognised prospectively. The unwinding of the discount on the provision is included in finance costs and the decommissioning asset is depreciated on a straight-line basis over the expected useful life of the asset.

Fibre Power (Slough) Limited

Notes on the financial statements *(continued)* for the year ended 31 March 2019

2 New accounting policies and reporting changes

IFRS 9 'Financial Instruments'

The adoption of IFRS 9 had no material impact on the presentation of the financial statements for the year ended 31 March 2019.

IFRS 15 'Revenue from contracts with customers'

The adoption of IFRS 15 had no material impact on the presentation of revenue in the financial statements for the year ended 31 March 2019. Revenue is recognised at the point in time that the performance obligation to supply the end customer is satisfied. No contract receivables were recognised at 31 March 2019 following adoption.

Disaggregation of revenue

Electricity export related revenue
2019
£000
Revenue
9,476

3 Expenses and auditor's remuneration

Operating profit is arrived at after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets (note 8)	480	459
Depreciation of Decommissioning assets (note 13)	177	306
	<u>657</u>	<u>765</u>

Audit fees for the Company of £1,000 (2018: £1,000) are borne by another group company.

4 Staff costs and numbers

There are no employees directly employed by the Company (2018: nil).

5 Directors' remuneration

In The total remuneration received by the directors for qualifying and non-qualifying services during the year was £424k (2018: £381k). The above value is for 2 directors (2018: 3), all of whom were remunerated via another Group company in the year. A value for allocation of services to the Company for these directors cannot be determined, therefore the above value reflects the remuneration they received for services to the Group as a whole.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £290k (2018: £248k) including company pension contributions of £48k (2018: £47k) which were made to a money purchase scheme on their behalf.

Fibre Power (Slough) Limited

Notes on the financial statements *(continued)* for the year ended 31 March 2019

6 Interest payable and similar charges

	2019 £000	2018 £000
Interest payable to group companies	179	206
Decommissioning costs (Note 13)	197	193
	<u>376</u>	<u>399</u>

7 Taxation

	2019 £000	2018 £000
UK corporation tax		
Current tax on income for the period	(502)	315
Prior year adjustment	(44)	(4)
Total current tax charge	<u>(546)</u>	<u>311</u>
Deferred tax (see note 14):		
Origination and reversal of timing differences	(62)	(77)
Adjustment in respect of prior years	65	(40)
Total deferred tax	<u>3</u>	<u>(117)</u>
Total tax on profit on ordinary activities	<u>(543)</u>	<u>194</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2019 £000	2018 £000
(Loss)/profit before taxation	<u>(2,848)</u>	<u>1,242</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	(541)	238
Transfer pricing adjustment	(23)	-
Corporation tax adjustments in respect of previous periods	(44)	(4)
Deferred tax adjustments in respect of previous periods	65	(40)
Total tax charge for year	<u>(543)</u>	<u>194</u>

Legislation was enacted on 15 September 2016 to reduce the corporation tax rate to 17% from 1 April 2020. This will reduce the company's future tax charge accordingly.

Fibre Power (Slough) Limited

Notes on the financial statements *(continued)* for the year ended 31 March 2019

8 Tangible fixed assets

	Generation Assets £000	Assets under the course of construction (AUC)	Decommissioning Assets £000	Total £000
Cost:				
At 1 April 2018	45,157	-	4,312	49,469
Additions	200	474	689	1,363
At 31 March 2019	45,357	474	5,001	50,832
Accumulated depreciation:				
At 1 April 2018	(39,889)	-	(558)	(40,447)
Charge for the year	(480)	-	(177)	(657)
At 31 March 2019	(40,369)	-	(735)	(41,104)
Net book value:				
At 31 March 2019	4,988	474	4,266	9,728
At 31 March 2018	5,268	-	3,754	9,022

9 Stock

	2019 £000	2018 £000
Fuel, spares and consumables	761	744
	761	744

10 Debtors:

	2019 £000	2018 £000
Amounts falling due within one year		
Amounts owed by group undertakings	1,206	8,621
Other debtors	156	145
Corporation tax receivable	502	-
Prepayments and accrued income	137	-
	2,001	8,766

11 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	5,579	3,734
Trade Creditors	43	-
Accruals and deferred income	378	5
Other creditors	288	290
Corporation tax payable	-	315
	6,288	4,344

Fibre Power (Slough) Limited

Notes on the financial statements *(continued)* for the year ended 31 March 2019

12 Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Amounts owed to group undertakings	3,523	6,997
	<u>3,523</u>	<u>6,997</u>

The amounts due to Group undertakings are in respect of amounts owed by the Company to its parent, SSE Plc. Interest is charged at 5.23% (2018: 5.52%).

13 Provisions for liabilities and charges

	Decommissioning costs £000	Total £000
1 April 2018	8,581	8,581
Unwinding of discount	197	197
Provision utilised in year	(3,096)	(3,096)
Provision increase	4,889	4,889
31 March 2019	<u>10,571</u>	<u>10,571</u>

In accordance with the Company's accounting policy, a provision has been made for the decommissioning of the Company's generation assets at a discount rate of 2.3% (2018: 2.3%) which has been applied to discount the decommissioning cost provision to present values. The unwinding of discount rate in relation to decommissioning costs is charged to interest payable in the profit and loss account.

During the year part of the site was decommissioned earlier than planned to make way for a new power plant being constructed by a related party. This has resulted in an increased cost of decommissioning of £4.2m due to works being required now that would not have been required at end of life. The provision increase has been fully funded by the related party.

In addition, due to changes in how scrap value is accounted for, the total provision has been uplifted by a further £0.7m to reflect expected value at end of life.

Fibre Power (Slough) Limited

Notes on the financial statements *(continued)* for the year ended 31 March 2019

14 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
	£000	£000	£000	£000	£000	£000
Tangible fixed assets	-	-	(1,005)	(969)	(1,005)	(969)
Provisions	1,492	1,459	-	-	1,492	1,459
Net tax assets/liabilities	1,492	1,459	(1,005)	(969)	487	490

Movement in deferred tax during the year

	1 April 2018	Recognised in income	31 March 2019
	£000	£000	£000
Tangible fixed assets	(969)	(36)	(1,005)
Provisions	1,459	33	1,492
Net tax assets/liabilities	490	(3)	487

Movement in deferred tax during prior year

	1 April 2017	Recognised in income	Transfers	31 March 2018
	£000	£000	£000	£000
Tangible fixed assets	(1,105)	113	23	(969)
Provisions	838	33	588	1,459
Net tax assets/liabilities	(267)	146	611	490

15 Share capital

	2019	2018
	£	£
Allotted, called up and fully paid: 100 ordinary shares of £1.00 each	100	100

16 Ultimate parent company

The Company is a subsidiary of Power from Waste Ltd. The ultimate parent company is SSE plc. The largest and smallest Group in which the results of the Company are consolidated is that headed by SSE plc. The consolidated financial statements of the Group (which include those of the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the Company's website at www.sse.com.