Registration number: 02902170

Fibre Power (Slough) Limited

Directors report and Financial Statements

for the Year Ended 31 March 2022

Fibre Power (Slough) Limited

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Fibre Power (Slough) Limited

Company Information

Directors

P Clements

M Hayward

Company secretary

M S Khalid

Registered office

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

Registered number

02902170

Fibre Power (Slough) Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their report for the year ended 31 March 2022.

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 Fibre Power (Slough) Limited.

The Strategic and Financial Review sets out the main trends and factors underlying the development and performance of Fibre Power (Slough) Limited (the "Company") during the year ended 31 March 2022, as well as those matters which are likely to affect its future development and performance.

Fair review of the business
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.

Financial performance
The profit for the year after taxation amounted to £(2,514)k (2021: loss of £1,865k). The balance sheet at 31 March 2021 indicates net liabilities of £11,829k (2021: net liabilities of £9,315k).

The Company's key financial performance indicators during the year were as follows:

	31 March 2022 £ 000	31 March 2021 £ 000
Revenue	19,041	8,593
Gross profit	5,458	1,500
Operating loss	(4,114)	(2,953)
Loss before tax	(4,525)	(2,322)
Loss after tax	(2,514)	(1,865)
Net liabilities	(11,829)	(9,315)
Total assets	38,663	21,338

Revenue has significantly increased as a result of high electricity prices. Gross profit has also increased, but the higher revenue is partly offset by higher direct costs and an adverse movement in the fair value of derivatives. Operating loss has increased due to higher maintenance costs and higher overheads, including those recharged from Slough Heat and Power Limited.

Internal Control
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.

Fibre Power (Slough) Limited

Strategic Report for the Year Ended 31 March 2022 (continued)

Principal risks and uncertainties

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.

Financial Risk

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.

Brexit

The Directors are aware of the political uncertainty as the UK transitions out of the European Union. Due to the nature of operations of the Company, the impact of Brexit was minimal in the year ended 31 March 2022 and is expected to still be minimal in the year ending 31 March 2023.

Approved by the Board on 01/12/2022 and signed on its behalf by:

....

P Clements

Director

Fibre Power (Slough) Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

The directors present their report and financial statement for Fibre Power (Slough) Limited (the "Company") for the year ended 31 March 2022.

Directors of the company
The directors, who held office during the year, were as follows:

P Clements

M Hayward

Principal activity
The principal activity of the Company is the generation and sale of electricity from a 12MW waste wood plant to SSE EPM Limited, a related company.

The Company is a wholly owned subsidiary of SSE plc and part of the SSE Group.

Dividends
The directors do not recommend payment of a dividend (2021: £Nil) be made in respect of the financial year ended 31 March 2022.

Environmental matters
The Company is exempt from making disclosures in line with the Streamlined Energy and Carbon Reporting ('SECR') requirements as it is a wholly owned subsidiary of SSE plc. The consolidated disclosures of the Group are available on pages 40 - 57 of the SSE plc Annual Report 2022.

Going concern
The financial statements are prepared on a going concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms that the Group will provide support to 31 December 2023 where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash balance of £289.3m at 30 September 2022, the committed bank facilities of £2.5bn maintained by the Group (including the £1.0bn facility entered into in November 2022), and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £2.1bn of long and short term debt since 31 March 2022 and the issuance of £831.4m of hybrid equity in April 2022, and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. The directors are not aware of any subsequent events that would have a material impact on the going concern assessment. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Fibre Power (Slough) Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

Exemption from audit
For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Approved by the Board on 01/12/2022 and signed on its behalf by:

....
P Clements
Director

Fibre Power (Slough) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom 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 international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

Approved by the Board on 01/12/2022 and signed on its behalf by:

....

P Clements
Director

Fibre Power (Slough) Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £ 000	2021 £ 000
Turnover	3	19,041	8,593
Cost of sales		(4,459)	(7,093)
Movement on derivatives	17	(9,124)	-
Gross profit		5,458	1,500
Administrative expenses		(9,572)	(4,453)
Operating loss	4	(4,114)	(2,953)
Interest receivable and similar income	7	3	-
Interest payable and similar expenses	8	(414)	(744)
Other gains		-	1,375
Loss before tax		(4,525)	(2,322)
Tax on loss	10	2,011	457
Loss for the year		(2,514)	(1,865)

The above results were derived from continuing operations.

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

Fibre Power (Slough) Limited

(Registration number: 02902170)
Balance Sheet as at 31 March 2022

	Note	31 March 2022 £ 000	31 March 2021 £ 000
Non-current assets			
Tangible assets	11	12,362	9,833
Deferred tax assets	10	3,062	756
		15,424	10,589
Current assets			
Stocks	12	862	867
Debtors: Amounts falling due within one year	13	18,177	5,200
Debtors: Amounts falling due after more than one year	13	4,200	4,200
Current tax asset	10	-	482
		23,239	10,749
Current liabilities			
Creditors: amounts falling due within one year	14	(15,561)	(5,727)
Derivative financial liabilities	17	(8,926)	-
	14	(24,487)	(5,727)
Net current (liabilities)/assets		(1,248)	5,022
Total assets less current liabilities		14,176	15,611
Creditors: Amounts falling due after more than one year			
Amounts due to Group undertakings	14	(15,528)	(17,269)
Long term lease liabilities	15	(2,668)	(2,647)
Derivative financial liabilities	17	(198)	-
		(18,394)	(19,916)
Provisions for liabilities	16	(7,611)	(5,010)
Net liabilities		(11,829)	(9,315)
Capital and reserves			
Called up share capital	18	0	0
Capital Contribution		14,758	14,758
Profit and loss account		(26,587)	(24,073)
Shareholders' deficit		(11,829)	(9,315)

The notes on pages 11 to 25 form an integral part of these financial statements.

Fibre Power (Slough) Limited

(Registration number: 02902170)
Balance Sheet as at 31 March 2022 (continued)

For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Directors' responsibilities :

• The members have not required the Company to obtain an audit opinion of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
• The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the Board on 01/12/2022 and signed on its behalf by:

....
P Clements
Director

Fibre Power (Slough) Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £ 000	Capital Contribution £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2021	0	14,758	(24,073)	(9,315)
Loss for the year	-	-	(2,514)	(2,514)
At 31 March 2022	0	14,758	(26,587)	(11,829)

	Share capital £ 000	Capital Contribution £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2020	0	14,758	(22,208)	(7,450)
Loss for the year	-	-	(1,865)	(1,865)
At 31 March 2021	0	14,758	(24,073)	(9,315)

Fibre Power (Slough) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated and domiciled in the United Kingdom.

2 Accounting policies

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

Basis of preparation
These financial statements were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*.

In preparing these financial statements, the company has applied the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards, 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.

The financial statements are prepared in GBP (£) and the balances presented have been rounded to the nearest thousand.

Summary of disclosure exemptions
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 required by IAS 7;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets required by IAS 1, IAS 16 and IAS 36 respectively;
- The effect of new, but not yet effective, IFRSs required by IAS 1;
- Disclosures in respect of the compensation of key management personnel required by IAS 24;
- Disclosures in respect of capital management required by IAS 1; and
- Related party disclosures required by IAS 24.

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

- Certain disclosures required by IAS 36, Impairment of assets, in respect of the impairment of goodwill and life intangible assets; and
- Certain disclosures required by IFRS 13, Fair value measurement, and the disclosures required by IFRS 7, Financial instrument disclosures.

Employee share based payments have not been disclosed on the basis of materiality.

2 Accounting policies (continued)

Going concern

The financial statements are prepared on a going concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms that the Group will provide support to 31 December 2023 where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash balance of £289.3m at 30 September 2022, the committed bank facilities of £2.5bn maintained by the Group (including the £1.0bn facility entered into in November 2022), and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £2.1bn of long and short term debt since 31 March 2022 and the issuance of £831.4m of hybrid equity in April 2022, and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. The directors are not aware of any subsequent events that would have a material impact on the going concern assessment. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2021 have had a material effect on the financial statements.

Revenue recognition

Electricity generation

Revenue from the physical generation of electricity is recognised "point in time" as generated and supplied to the national settlements body. Revenue is measured at either the spot price at the time of delivery, or trade price where that trade is eligible for "own use" designation.

Other Revenue

Additional revenue is earned from ancillary services provided, including gate fees charged for the disposal of waste used for power generation. Revenue from these services is recognised at the time of delivery, and is measured at the value of consideration the Company receives net of VAT (where applicable).

Finance income and costs policy

Interest income and costs are recognised in the income statement as they accrue, on an effective interest method.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Owned assets
Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and assets under construction over their estimated useful lives, as follows:

	Years
Thermal Generation Assets	7-15
Decommissioning Assets	9

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stock

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method.

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Croup will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Decommissioning

The estimated cost of decommissioning at the end of the useful lives of certain assets is reviewed periodically. Provision is made for the net present value of the estimated cost of decommissioning power stations at the end of the useful life of the facilities. The estimates are based on technology and prices at the balance sheet date and excludes any salvage value related to those assets. A corresponding decommissioning asset, including any residual scrap proceeds expected, is recognised and is included within property, plant and equipment 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 depreciation for the asset is straight-line over the expected useful life of the asset.

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the company has the right to:

· Obtain substantially all the economic benefits from the use of the underlying asset, and;
· Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Initial recognition and measurement

The company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.
The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.
The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the company measures the lease liability by:
(a) Increasing the carrying amount to reflect interest on the lease liability;
(b) Reducing the carrying amount to reflect the lease payments made; and
(c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.
Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are [presented separately as non-operating /included in finance cost] in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.
The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated and charged in accordance with the depreciation requirements of IAS 16 Property, Plant and Equipment as disclosed in the accounting policy for Property, Plant and Equipment. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.
The modification is accounted for as a separate lease if both:
(a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
(b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.
If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The company then accounts for these in line with the accounting policy for new leases.
If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.
For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.
For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

2 Accounting policies (continued)

Short term and low value leases

The company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).
The company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.
Lease payments on short term and low value leases are accounted for on a straight line bases over the term of the lease or other systematic basis if considered more appropriate. Short term and low value lease payments are included in operating expenses in the income statements.

Sub leases

If an underlying asset is re-leased by the company to a third party and the company retains the primary obligation under the original lease, the transaction is deemed to be a sublease. The company continues to account for the original lease (the head lease) as a lessee and accounts for the sublease as a lessor (intermediate lessor). When the head lease is a short term lease, the sublease is classified as an operating lease. Otherwise, the sublease is classified using the classification criteria applicable to Lessor Accounting in IFRS 16 by reference to the right-of-use asset in the head lease (and not the underlying asset of the head lease).
After classification lessor accounting is applied to the sublease.

Derivative financial instruments

Derivative financial instruments are contracts, the value of which is derived from one or more underlying financial instruments or indices, and include futures, forwards, swaps and options in the interest rate, foreign exchange, equity and credit markets.

Derivative financial instruments are recognised in the statement of financial position at fair value. Fair values are derived from prevailing market prices, discounted cash flow models or option pricing models as appropriate.

In balance sheet, derivative financial instruments with positive fair values (unrealised gains) are included as assets and derivative financial instruments with negative fair values (unrealised losses) are included as liabilities.

The changes in the fair values of derivative financial instruments entered into for trading purposes are included in trading income.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022 £ 000	2021 £ 000
Electricity generation	17,220	7,816
Other revenue	1,821	777
	19,041	8,593

4 Operating loss

Arrived at after charging:

	2022 £ 000	2021 £ 000
Depreciation expense	1,119	1,048

5 Staff costs

There are no employees directly employed by the Company (2021: nil).

6 Directors' remuneration

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £544k (2021: £516k). The above value is for 2 directors (2021: 3), who were remunerated via another Group company in the year. A value of services to the Company for these directors cannot be determined, therefore the above value reflects the remunerations received for services to the SSE Group as a whole.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £379k (2021: £375k) including company pension contributions of £Nil (2021: £49k) which were made to a money purchase scheme on their behalf.

7 Interest receivable and similar income

	2022 £ 000	2021 £ 000
Interest receivable from Group companies	3	-

8 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest payable to Group companies	232	439
Lease obligations - unwind of discount rate	142	264
Decommissioning provision - unwind of discount	40	41
	414	744

Interest payable in the year has reduced compared to the previous year as a result of the settlement of amounts owed to related parties.

9 Auditors' remuneration

The Company has received a guarantee under section 479C of the Companies Act 2006 from SSE plc and consent from SSE plc, that the immediate parent and the Company's directors to not require an audit of its financial statements for the year ended 31 March 2022.

The Company incurred an audit fee of £6,794 in the year ended 31 March 2021, which was borne by another group company.

10 Income tax

Tax charged/(credited) in the profit and loss account

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	295	(442)
	295	(442)
Deferred taxation		
Arising from origination and reversal of temporary differences	(1,571)	46
Arising from changes in tax rates and laws	(735)	-
Adjustment in respect of prior years	-	(61)
	(2,306)	(15)
Tax receipt in the profit and loss account	(2,011)	(457)

Fibre Power (Slough) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

10 Income tax (continued)

The tax on loss before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Loss before tax	(4,525)	(2,322)
Corporation tax at standard rate of 19% (2019: 19%)	(860)	(441)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	1	4
Decrease arising from group relief tax reconciliation	(313)	-
(Decrease)/increase from transfer pricing adjustments	(46)	41
Decrease from effect of super deduction permanent difference	(58)	-
Deferred tax credit from unrecognised temporary difference from a prior period	-	(61)
Deferred tax credit relating to changes in tax rates or laws	(735)	-
Total tax credit	(2,011)	(457)

Deferred tax

Deferred tax movement during the year:

	At 1 April 2021 £ 000	Recognised in income £ 000	At 31 March 2022 £ 000
Revaluation of property, plant and equipment	290	(555)	(265)
Provisions	466	580	1,046
Transition adjustments arising from first time adoption	-	-	-
Derivatives	-	2,281	2,281
Net tax assets/(liabilities)	756	2,306	3,062

Deferred tax movement during the prior year:

	At 1 April 2020 £ 000	Recognised in income £ 000	At 31 March 2021 £ 000
Revaluation of property, plant and equipment	(272)	562	290
Provisions	803	(337)	466
Transition adjustments arising from first time adoption	210	(210)	-
Derivatives	-	-	-
Net tax assets/(liabilities)	741	15	756

10 Income tax (continued)

Increase in Corporation Tax rate

The Government announced in the Budget on 3 March 2021 that the main rate of corporation tax will increase to 25% for the financial year beginning 1 April 2023. Prior to this date, the rate of corporation tax will remain at 19%. The increase to 25% was substantively enacted at 24 May 2021 and therefore the deferred tax balances have been re-measured at 31 March 2022. The rate change resulted in an increase to the Company's deferred tax asset of £735k.

Finance Bill 2021 also included draft legislation in respect of Capital Allowance 'Super-deductions' of 130% in respect of General Pool plant and machinery, alongside First Year Allowances of 50% for Special Rate Pool plant and machinery for the two years commencing 1 April 2021. The Company expects these changes, to significantly increase the deduction for Capital Allowances in the financial years ending 31 March 2022 and 31 March 2023. An estimate of the super-deduction has been taken into account when calculating the effective tax for the current year.

11 Tangible assets

	Right of Use assets £ 000	Assets under construction £ 000	Decommissioning assets £ 000	Thermal Generation £ 000	Total £ 000
Cost or valuation					
At 1 April 2021	2,842	449	4,476	44,915	52,682
Additions	39	1,014	2,594	-	3,647
Transfers	-	(449)	-	449	-
At 31 March 2022	2,881	1,014	7,070	45,364	56,329
Depreciation					
At 1 April 2021	20	-	1,920	40,909	42,849
Charge for the year	61	-	604	453	1,118
At 31 March 2022	81	-	2,524	41,362	43,967
Carrying amount					
At 31 March 2022	2,800	1,014	4,546	4,002	12,362
At 31 March 2021	2,822	449	2,556	4,006	9,833

12 Stock

	31 March 2022 £ 000	31 March 2021 £ 000
Raw materials and consumables	862	867

13 Trade and other debtors

Amounts falling due within one year

	31 March 2022 £ 000	31 March 2021 £ 000
Amounts due from related parties	15,913	3,954
Accrued income	331	-
Prepayments	1,617	1,133
Other debtors	316	113
	18,177	5,200

Amounts falling due after more than one year

	31 March 2022 £ 000	31 March 2021 £ 000
Amounts due from related parties	4,200	4,200

Details of non-current trade and other debtors

Amounts classified as non current consist of £4,200k (2021: £4,200k) of amounts due from related parties. This is in respect of amounts owed by SSE Multifuel Ltd, on which no interest is earned, to be settled in 2027 on decommissioning of the Slough power station.

14 Creditors

Amounts falling due within one year

	31 March 2022 £ 000	31 March 2021 £ 000
Trade creditors	77	55
Accrued expenses	2,192	363
Amounts due to Group undertakings	12,838	5,067
Other creditors	6	-
Income tax liability	295	-
Current portion of long term lease liabilities	153	242
	15,561	5,727

14 Creditors (continued)

Amounts falling due after more than one year

	31 March 2022 £ 000	31 March 2021 £ 000
Amounts due to Group undertakings	15,528	17,269

The amounts disclosed in the balance sheet as owed to related parties and falling due after more than one year of £15,528k (2021: £17,269k), are in respect of amounts advanced to the company by its ultimate parent SSE plc. Interest is charged at 4.89% (2021: 5.01%).

15 Leases

Leases included in creditors

	31 March 2022 £ 000	31 March 2021 £ 000
Current portion of long term lease liabilities	153	242
Non current portion of long term lease liabilities	2,668	2,647
	2,821	2,889

Lease liability maturity analysis

	31 March 2022 £ 000	31 March 2021 £ 000
Within one year	158	247
Between one and five years	792	781
After five years	6,231	6,302
Less: future finance charge	(4,360)	(4,441)
Present value of lease obligations	2,821	2,889

16 Other provisions

	Decommissioning £ 000
At 1 April 2021	5,010
Increase in existing provisions due to change in cost estimate	2,594
Provisions used	(33)
Increase due to passage of time or unwinding of discount	40
At 31 March 2022	7,611

Decommissioning provision

In accordance with the company's accounting policy a provision has been made for the decommissioning of the company's power generation assets. A discount rate of 1.41% (2021: 0.8%) 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.

Decommissioning costs of £33k were incurred in the year.

Sensitivity analysis

The key assumptions made when calculating the decommissioning provision centre around cost estimate and discount rate applied:

An increase of 1% in the discount rate would result in a decrease to the provision of £364k

A decrease of 1% in the discount rate would result in an increase to the provision of £387k

An increase of 10% in the cost estimate for decommissioning would result in an increase to the provision of £761k and a corresponding adjustment to the decommissioning assets.

A decrease of 10% in the cost estimate for decommissioning would result in a decrease to the provision of £761k and a corresponding adjustment to the decommissioning assets.

17 Derivatives and financial instruments

	2022 Carrying value £ 000	2022 Fair value £ 000	2021 Carrying value £ 000	2021 Fair value £ 000
Financial assets				
Intercompany debtors (current)	15,913	15,913	3,954	3,954
Intercompany debtors (non-current)	4,200	4,200	4,200	4,200
Financial liabilities				
Trade creditors	77	77	56	56
Intercompany creditors (current)	12,838	12,838	5,067	5,067
Intercompany creditors (non-current)	15,528	15,528	17,269	17,269
Derivative financial liabilities (current)	8,926	8,926	-	-
Derivative financial liabilities (non-current)	198	198	-	-
Finance lease liabilities (current)	153	153	242	242
Finance lease liabilities (non-current)	2,668	2,668	2,647	2,647

Basis of determining fair value

All derivatives are classified as Level 2 within the fair value hierarchy. The fair value measurements are those derived from inputs, other than quoted prices, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Fair values have been determined with reference to closing market prices.

Recognised in profit and loss account

The amount of derivative re-measurement that has been recognised through profit and loss is as follows:

	2022 £ 000	2021 £ 000
Movement in Fair Value of Derivatives	(9,124)	-

18 Share capital

Allotted, called up and fully paid shares

	31 March 2022		31 March 2021	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

19 Parent and ultimate parent undertaking

The company's immediate parent is Power from Waste Ltd.

The ultimate parent is SSE plc. These financial statements are available upon request 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.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is SSE plc, incorporated in Scotland. The consolidated financial statements of the Group (which include the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the parent company's website at www.sse.com.

The address of SSE plc is:
Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ