

Registration number: 02902170

Fibre Power (Slough) Limited  
Directors Report and Unaudited Financial Statements  
for the Year Ended 31 March 2023

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# **Fibre Power (Slough) Limited**

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# **Fibre Power (Slough) Limited**

## **Company Information**

### **Directors**

M Hayward

S J Cowling

### **Company secretary**

G Atkinson

### **Registered office**

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

### **Registered number**

02902170

## **Fibre Power (Slough) Limited**

### **Strategic Report for the Year Ended 31 March 2023**

The directors present their report for the year ended 31 March 2023.

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 2023, 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 after taxation for the year ending 31 March 2023 amounted to £12,773k (2022: loss of £2,514k). The balance sheet at 31 March 2023 indicates net assets of £944k (2022: net liabilities of £11,829k).

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

	<b>31 March 2023 £ 000</b>	<b>31 March 2022 £ 000</b>
Revenue	17,418	19,041
Gross profit	30,069	5,458
Operating profit (loss)	17,949	(4,114)
Profit (loss) before tax	17,233	(4,525)
Profit (loss) after tax	12,773	(2,514)
Net assets (liabilities)	944	(11,829)
Total assets	32,702	38,663

Profits are significantly higher than in the previous year primarily due to favourable movement in the fair value of derivatives.

#### **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 2023 (continued)**

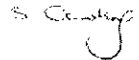
#### **Principal risks and uncertainties**

The Company transacts with other companies within the SSE plc group (the "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.

Approved by the Board on 19<sup>th</sup> December 2023 and signed on its behalf by:

  
.....  
S J Cowling  
Director

## **Fibre Power (Slough) Limited**

### **Directors' Report for the Year Ended 31 March 2023**

The directors present their report and the unaudited financial statements for the year ended 31 March 2023.

#### **Directors of the company**

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

P Clements (resigned 30 May 2023)

M Hayward

The following director was appointed after the year end:

S J Cowling (appointed 30 May 2023)

#### **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 be made in respect of the financial year ended 31 March 2023 (2022: nil).

#### **Political and charitable donations**

The Company made no political or charitable donations during the year (2022: nil).

#### **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 34-66 of the Group's 2023 annual report

#### **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 2024 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 and cash equivalents balance of £902.4m at 30 September 2023, and the undrawn committed bank facilities of £2.75bn maintained by the Group. In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £0.65bn of long term funding in the first six months of the 23/24 financial year being an 8 year €750m Eurobond at a coupon of 4.0%, and the issuance of £1.6bn of long term funding in the 22/23 financial year being a €1bn NC6 Hybrid at 4% in April 2022, a 7 year €650m Eurobond at a coupon of 2.875% and a £350m dual tranche US Private Placement. 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 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.

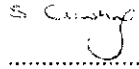
## **Fibre Power (Slough) Limited**

### **Directors' Report for the Year Ended 31 March 2023 (continued)**

#### **Exemption from audit**

For the year ended 31 March 2023 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 19<sup>th</sup> December 2023 and signed on its behalf by:

  
.....  
S J Cowling  
Director

## Fibre Power (Slough) Limited

### Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Turnover	4	17,418	19,041
Cost of sales		(5,182)	(4,459)
Movement on derivatives	17	17,833	(9,124)
Gross profit		30,069	5,458
Administrative expenses		(12,120)	(9,572)
Operating profit (loss)	5	17,949	(4,114)
Interest receivable and similar income	8	-	3
Interest payable and similar expenses	9	(716)	(414)
Profit (loss) before tax		17,233	(4,525)
Tax on profit (loss)	10	(4,460)	2,011
Profit (loss) for the year		<u>12,773</u>	<u>(2,514)</u>

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 2023**

	Note	31 March 2023 £ 000	31 March 2022 £ 000
<b>Fixed assets</b>			
Tangible assets	11	11,317	12,362
Other financial assets		9,687	-
Deferred tax assets	10	-	3,062
		21,004	15,424
<b>Current assets</b>			
Stocks	12	851	862
Debtors: Amounts falling due within one year	13	7,122	18,177
Debtors: Amounts falling due after more than one year	13	3,725	4,200
		11,698	23,239
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	14	(11,330)	(15,561)
Derivative financial liabilities	17	(978)	(8,926)
	14	(12,308)	(24,487)
<b>Net current liabilities</b>		(610)	(1,248)
<b>Total assets less current liabilities</b>		20,394	14,176
<b>Creditors: Amounts falling due after more than one year</b>			
Amounts due to Group undertakings	14	(8,707)	(15,528)
Long term lease liabilities	15	(2,868)	(2,668)
Derivative financial liabilities	17	-	(198)
Deferred tax liabilities	10	(1,592)	-
		(13,167)	(18,394)
<b>Provisions for liabilities</b>	16	(6,283)	(7,611)
<b>Net assets/(liabilities)</b>		944	(11,829)
<b>Capital and reserves</b>			
Called up share capital	18	0	0
Capital Contribution		14,758	14,758
Profit and loss account		(13,814)	(26,587)
<b>Shareholders' funds/(deficit)</b>		944	(11,829)

For the financial year ending 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

**Fibre Power (Slough) Limited**  
**(Registration number: 02902170)**  
**Balance Sheet as at 31 March 2023 (continued)**

Directors' responsibilities:

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

Approved by the Board on 19<sup>th</sup> December 2023 and signed on its behalf by:

*S J Cowling*

.....

S J Cowling  
Director

# **Fibre Power (Slough) Limited**

## **Statement of Changes in Equity for the Year Ended 31 March 2023**

	<b>Share capital £ 000</b>	<b>Capital Contribution £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
At 1 April 2022	0	14.758	(26,587)	(11,829)
Profit for the year	-	-	12,773	12,773
At 31 March 2023	0	14.758	(13,814)	944
	<b>Share capital £ 000</b>	<b>Capital Contribution £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
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)

The notes on pages 10 to 24 form an integral part of these financial statements.

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023**

#### **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 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 functional currency of the Company and the presentational currency of these financial statements is pounds sterling. The financial statements have been presented in round thousands.

##### **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 intangible assets with an indefinite useful life; 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.

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **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 2024 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 and cash equivalents balance of £902.4m at 30 September 2023, and the undrawn committed bank facilities of £2.75bn maintained by the Group. In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £0.65bn of long term funding in the first six months of the 23/24 financial year being an 8 year €750m Eurobond at a coupon of 4.0%, and the issuance of £1.6bn of long term funding in the 22/23 financial year being a €1bn NC6 Hybrid at 4% in April 2022, a 7 year €650m Eurobond at a coupon of 2.875% and a £350m dual tranche US Private Placement. 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 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 2022 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**

Taxation on the profit for the year comprises current and deferred tax. Taxation is recognised in the profit and loss account unless it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **2 Accounting policies (continued)**

Deferred tax is calculated using the balance sheet liability method, providing for 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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the company intends to either settle them on a net basis, or to realise the asset and settle the liability simultaneously. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **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:

	<b>Years</b>
Decommissioning Assets	9-14
Thermal Generation Assets	7-15

#### **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.

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **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 Group 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.

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **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 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.



## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **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 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

It should be noted that the impact of variation in some assumptions, judgements and estimates can have a particularly material impact on the reported results. Management has applied its judgement to the determination of the value and useful lives of its property, plant and equipment. While the company holds these assets under the cost model, these are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **4 Revenue**

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

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Electricity generation	14,372	17,220
Other revenue	3,046	1,821
	<u>17,418</u>	<u>19,041</u>

#### **5 Operating profit/(loss)**

Arrived at after charging:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	<u>1,835</u>	<u>1,119</u>

#### **6 Staff costs**

There are no employees directly employed by the Company (2022: 0).

#### **7 Directors' remuneration**

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £634k (2022: £544k). The above value is for 2 directors (2022: 2), 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 £420k (2022: £379k) including company pension contributions of £11k (2022: £10k) which were made to a money purchase scheme on their behalf.

#### **8 Interest receivable and similar income**

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest receivable from Group companies	<u>-</u>	<u>3</u>

## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 9 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Interest payable to Group companies	414	232
Lease obligations - unwind of discount rate	152	142
Decommissioning provision - unwind of discount	150	40
	716	414

#### 10 Income tax

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

	2023 £ 000	2022 £ 000
<b>Current taxation</b>		
UK corporation tax	(238)	295
UK corporation tax adjustment to prior periods	44	-
	(194)	295
	(194)	295
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	3,537	(1,571)
Arising from changes in tax rates and laws	1,117	(735)
	4,654	(2,306)
Tax expense/(receipt) in the profit and loss account	4,460	(2,011)

## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 10 Income tax (continued)

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Profit/(loss) before tax	17,233	(4,525)
Corporation tax at standard rate of 19%	3,274	(860)
Increase in current tax from adjustment for prior periods	44	-
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	128	1
Decrease arising from group relief tax reconciliation	-	(313)
Increase/(decrease) from transfer pricing adjustments	17	(46)
Decrease from effect of super deduction permanent difference	(83)	(58)
Decrease from effect of movement in provisions	(37)	-
Deferred tax expense/(credit) relating to changes in tax rates or laws	1,117	(735)
Total tax charge/(credit)	4,460	(2,011)

#### Deferred tax

Deferred tax movement during the year:

	At 1 April 2022 £ 000	Recognised in income £ 000	At 31 March 2023 £ 000
Property, plant and equipment	(265)	(272)	(537)
Provisions	1,046	76	1,122
Transition adjustments arising from first time adoption	-	-	-
Derivatives	2,281	(4,458)	(2,177)
Net tax assets/(liabilities)	3,062	(4,654)	(1,592)

Deferred tax movement during the prior year:

	At 1 April 2021 £ 000	Recognised in income £ 000	At 31 March 2022 £ 000
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

## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 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% rate was substantively enacted at 31 March 2023, therefore the Company has continued to measure deferred tax balances at 25%. The Company has estimated that the increase to 25% would increase the Group's deferred tax liability by £1.1m.

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 year ending 1 March 2023.

#### 11 Tangible assets

	Right of Use assets £ 000	Assets under construction £ 000	Decommissioning assets £ 000	Thermal Generation £ 000	Total £ 000
<b>Cost or valuation</b>					
At 1 April 2022	2,881	1,014	7,070	45,364	56,329
Additions	235	1,456	476	116	2,283
Disposals	-	-	(1,478)	(28,708)	(30,186)
Transfers	-	(2,040)	-	2,040	-
At 31 March 2023	3,116	430	6,068	18,812	28,426
<b>Depreciation</b>					
At 1 April 2022	81	-	2,524	41,362	43,967
Charge for the year	67	-	668	1,100	1,835
Eliminated on disposal	-	-	-	(28,708)	(28,708)
Other	-	-	-	15	15
At 31 March 2023	148	-	3,192	13,769	17,109
<b>Carrying amount</b>					
At 31 March 2023	2,968	430	2,876	5,043	11,317
At 31 March 2022	2,800	1,014	4,546	4,002	12,362

Depreciation in the year includes £15k relating to an asset transferred from another group company at cost less accumulated depreciation.

## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 12 Stock

	31 March 2023 £ 000	31 March 2022 £ 000
Raw materials and consumables	851	862

#### 13 Trade and other debtors

##### *Amounts falling due within one year*

	31 March 2023 £ 000	31 March 2022 £ 000
Amounts due from related parties	4,243	15,913
Accrued income	403	331
Prepayments	1,852	1,617
Income tax asset	238	-
Other debtors	386	316
	7,122	18,177

##### *Amounts falling due after more than one year*

	31 March 2023 £ 000	31 March 2022 £ 000
Amounts due from related parties	3,725	4,200

#### Details of non-current trade and other debtors

Amounts classified as non current consist of £3.725k (2022: £4.200k) of amounts due from related parties.

This is in respect of amounts owed by SSE Multifuel Generation Holdings Limited, on which no interest is earned, to be settled on the decommissioning of the Slough power station, planned for 2027. A discount rate of 3.49% has been applied to give the present value of the amounts owed.

## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 14 Creditors

*Amounts falling due within one year*

	31 March 2023 £ 000	31 March 2022 £ 000
Trade creditors	177	77
Accrued expenses	3,488	2,192
Amounts due to Group undertakings	7,158	12,838
Other creditors	341	6
Income tax liability	-	295
Current portion of long term lease liabilities	166	153
	11,330	15,561

*Amounts falling due after more than one year*

	31 March 2023 £ 000	31 March 2022 £ 000
Amounts due to Group undertakings	8,707	15,528

The amounts disclosed in the balance sheet as owed to related parties and falling due after more than one year of £8,707k (2022: £17,269k), are in respect of amounts advanced to the company by its ultimate parent SSE plc. Interest is charged at 5.35% (2022: 4.89%).

#### 15 Leases

##### Leases included in creditors

	31 March 2023 £ 000	31 March 2022 £ 000
Current portion of long term lease liabilities	166	153
Non current portion of long term lease liabilities	2,868	2,668
	3,034	2,821

## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 15 Leases (continued)

##### Lease liability maturity analysis

	31 March 2023 £ 000	31 March 2022 £ 000
Within one year	171	158
Between one and five years	856	792
After five years	6,570	6,231
Less: future finance charge	(4,563)	(4,360)
Present value of lease obligations	3,034	2,821

#### 16 Other provisions

	Decommissioning £ 000
At 1 April 2022	7,611
Increase due to passage of time or unwinding of discount	150
Increase (decrease) due to change in discount rate	(1,478)
At 31 March 2023	6,283

##### *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 3.81% (2022: 1.41%) 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 £Nilk 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 £236k

A decrease of 1% in the discount rate would result in an increase to the provision of £247k

An increase of 10% in the cost estimate for decommissioning would result in an increase to the provision of £627k 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 £627k and a corresponding adjustment to the decommissioning assets.



## Fibre Power (Slough) Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

#### 17 Derivatives and financial instruments

	2023 Carrying value £ 000	2023 Fair value £ 000	2022 Carrying value £ 000	2022 Fair value £ 000
<b>Financial assets</b>				
Intercompany debtors (current)	4,243	4,243	15,913	15,913
Intercompany debtors (non-current)	3,725	3,725	4,200	4,200
Derivative financial assets (non-current)	9,687	9,687	-	-
<b>Financial liabilities</b>				
Trade creditors	177	177	77	77
Intercompany creditors (current)	7,158	7,158	12,838	12,838
Intercompany creditors (non-current)	8,707	8,707	15,528	15,528
Derivative financial liabilities (current)	978	978	8,926	8,926
Derivative financial liabilities (non-current)	-	-	198	198
Finance lease liabilities (current)	166	166	153	153
Finance lease liabilities (non-current)	2,868	2,868	2,668	2,668

#### 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:

	2023 £ 000	2022 £ 000
Movement in Fair Value of Derivatives	17,833	(9,124)

## **Fibre Power (Slough) Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)**

#### **18 Share capital**

##### **Allotted, called up and fully paid shares**

	<b>31 March 2023</b>		<b>31 March 2022</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	100	100	100	100

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#### **19 Parent and ultimate parent undertaking**

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

The ultimate parent is SSE plc.

##### **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](http://www.sse.com).

The address of SSE plc is:

Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ

#### **20 Non adjusting events after the financial period**

There were no significant events between the balance sheet date and the date of the signing of the financial statements affecting the Company, which would require adjustment to or disclosure in the financial statements.