

**Severn Trent Green Power (North London) Limited (formerly
Agrivert (North London) Limited)**

**Annual report and financial statements
for the 15 month period ended 31 March 2019**

Company number: 09689098



Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Annual report and financial statements for the 15 month period ended 31 March 2019

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Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Company information

Company number	09689098
Directors	N Corrigall (appointed 30 November 2018) P J Earl (resigned 30 November 2018) R B A Maddan (resigned 30 November 2018) R C McPheely (appointed 30 November 2018) A P Smith (appointed 30 November 2018) H G Waters (resigned 30 November 2018)
Secretary	G Eagle (appointed 30 November 2018) P J Earl (resigned 30 November 2018)
Registered office	The Stables Radford Chipping Norton Oxfordshire OX7 4EB
Bankers	National Westminster Bank Plc 250 Bishopsgate London EC2M 4AA
Solicitors	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG
Auditor	Deloitte LLP Four Brindleyplace Birmingham B1 2HZ

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Strategic report

Business review and principal activities

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited) (the 'Company') was acquired by Severn Trent Green Power Limited on 30 November 2018 and is now a wholly owned subsidiary of Severn Trent Plc. The Company operates as part of the Severn Trent Group's Business Services segment.

The principal activity of the Company is an operation of an anaerobic digestion facility used for the processing and recycling of food waste.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Severn Trent Plc manages its operations on a divisional basis and the Company's Directors do not believe that further key performance indicators for the Company are necessary to enhance the understanding of the development, performance or position of the business. The performance of the Business Services segment, which includes the Company, is discussed in Severn Trent Plc's Annual Report and Accounts (which does not form part of this report).

Results and dividends

The Company's profit after taxation for the 15 month period ended 31 March 2019 was £342,000 (year ended 31 December 2017: £128,000). The Directors do not recommend the payment of a dividend (2017: nil).

Principal risks and uncertainties

Treasury management

The Severn Trent Group manages its treasury operations on a group basis. Financial risk management is performed by Severn Trent Group's Treasury department. This includes assessment and mitigation of price risk, credit risk, liquidity risk and interest rate cash flow risk. The Group's treasury management policies and operations are discussed in Severn Trent Plc's Annual Report and Financial Statements (which does not form part of this report).

Financial position and going concern

The Company has net current liabilities of £2,071,000 (31 December 2017: £125,000) and net assets of £405,000 (31 December 2017: £63,000).

The Directors have considered the financial position and future prospects of the Company. The Company participates in the Group's pooled banking arrangements and receives funding, when required, from the Severn Trent Group in the form of intra-group loans. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources, including financial resources available from other group companies, to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and annual financial statements.

The Strategic report has been approved by the Board.

By order of the Board


R C McPheely
Director
20 December 2019

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Directors' report

The Directors present their annual report and the audited financial statements of the Company for the 15 month period ended 31 March 2019.

Directors

The Directors who served during the period are shown on page 1.

N Corrigan, R C McPheely and A P Smith were appointed as directors on 30 November 2018. P J Earl, R B A Maddan and H G Waters resigned as directors on 30 November 2018.

Change of name

The Company changed its name from Agrivert (North London) Limited to Severn Trent Green Power (North London) Limited on 22 March 2019.

Change in accounting period

The accounting reference date of the Company has changed from 31 December to 31 March. As a result of the change in accounting period, the annual report and financial statements cover a period of 15 months from 1 January 2018 to 31 March 2019.

Matters included in the Strategic report

The following matters are included in the Company's Strategic report on page 2 and form part of this report by cross-reference:

- Business review and principal activities of the Company including future developments
- Results and dividends
- Principal risks and uncertainties
- Financial position and going concern

Post balance sheet events

There have been no significant post balance sheet events.

Directors' indemnities

The Company's Articles of Association provide that Directors of the Company shall be indemnified by the Company against any costs incurred by them in carrying out their duties including defending any proceedings arising out of their positions as directors in which they are acquitted or judgment is given in their favour or relief from any liability is granted to them by the court. This indemnification has been in force throughout the period and up to the date of signing the financial statements.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by its activities. The Company operates in accordance with the group policies of Severn Trent Plc which are described in the Group's Annual Report and Financial Statements (which does not form part of this report).

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Directors' report (continued)

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

Disclosure of information to the auditor

In the case of each of the persons who are Directors of the Company at the date when the report is approved:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

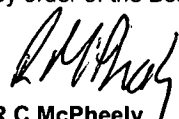
Relevant audit information means information needed by the Company's auditor in connection with preparing its report. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

Grant Thornton UK LLP resigned as auditor on 11 December 2018 pursuant to section 516 of the Companies Act 2006. On 17 December 2018 the Directors appointed Deloitte LLP as auditor of the Company under section 485(3) of the Companies Act 2006. Deloitte LLP has indicated its willingness to continue as auditor.

The Directors' report has been approved by the Board.

By order of the Board


R C McPheely
Director
20 December 2019

Independent auditor's report to the members of Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited) (the 'Company'):

- 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited) (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

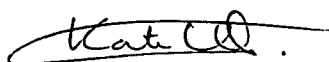
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Kate Hadley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
20 December 2019

**Severn Trent Green Power (North London) Limited (formerly
Agrivert (North London) Limited)**

Income statement

For the 15 month period ended 31 March 2019

	Note	15 months to 31 Mar 2019 £'000	12 months to 31 Dec 2017 (restated) £'000
Turnover	4	6,092	4,328
Operating costs	5	(4,294)	(3,068)
Profit on ordinary activities before interest and taxation		1,798	1,260
Finance costs	6	(1,232)	(1,100)
Profit on ordinary activities before taxation		566	160
Current tax	9	(237)	–
Deferred tax	9	13	(32)
Taxation on profit on ordinary activities	9	(224)	(32)
Profit for the period		342	128

All results are from continuing operations in both the current and preceding period. The Company has no recognised gains or losses other than the results above and therefore no separate statement of comprehensive income has been presented.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Balance sheet As at 31 March 2019

	Note	31 Mar 2019 £'000	31 Dec 2017 (restated) £'000
Non-current assets			
Property, plant and equipment	10	14,509	15,235
Trade and other receivables	11	500	–
		15,009	15,235
Current assets			
Trade and other receivables	11	1,559	1,263
Inventory	12	29	157
Cash and cash equivalents		506	172
		2,094	1,592
Current liabilities			
Trade and other payables	13	(3,845)	(1,675)
Borrowings	14	(10)	(9)
Provisions for liabilities	15	(73)	(33)
Current tax payable		(237)	–
		(4,165)	(1,717)
Net current liabilities		(2,071)	(125)
Total assets less current liabilities		12,938	15,110
Non-current liabilities			
Trade and other payables	13	(12,486)	(14,975)
Borrowings	14	(28)	(40)
Deferred tax	16	(19)	(32)
		(12,533)	(15,047)
Net assets		405	63
Equity			
Called up share capital	18	1	1
Retained earnings		404	62
Total equity		405	63

The financial statements were approved by the Board of Directors on 20 December 2019. They were signed on its behalf by:


R C McPheely
 Director
 20 December 2019
 Company number: 09689098

**Severn Trent Green Power (North London) Limited (formerly
Agrivert (North London) Limited)**

**Statement of changes in equity
For the 15 month period ended 31 March 2019**

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 1 January 2017	1	(66)	(65)
Total comprehensive income for the year	–	128	128
At 1 January 2018 restated	1	62	63
At 1 January 2018 as previously reported	1	(139)	(138)
Restatement (see note 2 b)	–	201	201
At 1 January 2018 restated	1	62	63
Total comprehensive income for the period	–	342	342
At 31 March 2019	1	404	405

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements

1. General information

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited), the Company, is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England.

The address of the registered office of the Company is shown on page 1.

2. Accounting policies

a) Accounting convention

The financial statements have been prepared on the going concern basis (see Strategic report) under the historical cost convention as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value, and in accordance with applicable United Kingdom Accounting Standards and comply with the requirements of the United Kingdom Companies Act 2006. The principal accounting policies, which have been applied consistently in the current and preceding period are set out below.

b) Basis of preparation

The Company is a wholly owned subsidiary of Severn Trent Plc and is included in the consolidated financial statements of Severn Trent Plc.

These are the first financial statements of the Company prepared in accordance with FRS 101, with the previous financial statements prepared under FRS 102. The Company's date of transition to FRS 101 is 1 January 2018.

On transition to FRS 101, the Company has applied IFRS 1 on the measurement of assets and liabilities. There has been no impact on the financial statements on transition from FRS 102 to FRS 101 and there have been no material adjustments made.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements. Accordingly, the Company has elected to apply FRS 101 Reduced Disclosure Framework.

Therefore the recognition and measurement requirements of EU-adopted IFRS have been applied, with amendments where necessary in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as these are Companies Act 2006 accounts.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the Group financial statements of Severn Trent Plc which are available to the public and can be obtained as set out in note 23.

The Company changed its accounting reference date from 31 December to 31 March. Amounts presented for the 2019 reporting period are for a 15 month period. Comparative figures are for a 12 month period. Consequently, comparative amounts for the income statement, balance sheet, statement of changes in equity and related notes are not entirely comparable.

i) Changes in accounting policies – IFRS 9 and IFRS 15

In the current financial period the Company has adopted IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers'.

IFRS 9 'Financial Instruments' affects the measurement and disclosure of financial instruments with effect from 1 January 2018. The adoption of IFRS 9 has not resulted in any significant changes to Company's existing accounting practices for financial instruments or to the classification of its financial assets and liabilities.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

2. Accounting policies (continued)

The Company has elected to restate comparative information for prior periods upon adoption of IFRS 15 but there are no changes to amounts previously recognised and so no restatements have been made.

The core principle of IFRS 15 is that an entity should recognise revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods and services.

There was no change to the recognition of revenue and the policy for recognition of revenue is set out below in 2 c). The performance obligations are satisfied by the generation of electricity, provision of services and waste processing in line with the contract obligations. This was also the basis for recognising revenue under the previous accounting standard.

ii) Changes in accounting policies – overhaul provision

A prior period adjustment has been made to reflect a change in accounting policy for overhaul provisions. The previous accounting policy was to recognise a provision for costs expected to be incurred for overhaul of fixed plant and equipment.

Under the current accounting policy overhaul provisions are not recognised where there is no future obligation to complete overhaul work. Overhaul costs are charged to the income statement when work is completed.

The tables below show the effect of the change in the accounting policy on the income statement and the balance sheet for the year ended 31 December 2017:

Income statement (extract)

Year ended 31 December 2017

	As previously reported £'000	Adjustment £'000	Restated £'000
Operating costs	(3,269)	201	(3,068)
Profit on ordinary activities before interest and taxation	1,059	201	1,260
(Loss)/profit for the year	(73)	201	128

Balance sheet (extract)

Year ended 31 December 2017

	As previously reported £'000	Adjustment £'000	Restated £'000
Provisions for liabilities	(234)	201	(33)
Retained earnings	(139)	201	62

c) Turnover

Turnover represents the fair value of consideration receivable, excluding value added tax, in the ordinary course of business for services provided.

Turnover is not recognised until the service has been provided to the customer or the goods to which the sale relates have either been despatched to the customer or, where they are held on the customer's behalf, title has passed to the customer and it is probable that it will be received.

Revenue from energy sales is recognised when the electricity or gas is delivered to the national grid. Green energy incentives are recognised when the Company becomes entitled to them.

Revenue from waste processing is recognised when waste is accepted at the Company's processing sites, in accordance with contractual agreements.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

2. Accounting policies (continued)

d) Taxation

Current tax payable is based on taxable profit for the period and is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax are recognised in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

A deferred tax asset is only recognised to the extent it is probable that sufficient taxable profits will be available in the future to utilise it.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

e) Property, plant and equipment

Property, plant and equipment is held at cost less accumulated depreciation and impairment.

Property, plant and equipment is depreciated, using the straight-line method, to its estimated residual values over its estimated useful life.

The estimated useful lives are:

Land and buildings	15 – 80 years
Fixed plant and equipment	20 – 40 years
Moveable plant and equipment	2 – 15 years

f) Impairment of non-current assets

If the recoverable amount of goodwill, an item of property, plant and equipment or any other non-current asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell or estimated value in use at the date the impairment review is undertaken. Fair value less costs to sell represents the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing third parties, less costs of disposal. Value in use represents the present value of future cash flows expected to be derived from a cash-generating unit, discounted using a pre-tax discount rate that reflects current market assessments of the cost of capital of the cash-generating unit or asset.

The discount rate used is based on the Company's cost of capital adjusted for the risk profile of the asset or cash-generating unit.

Impairments are recognised immediately in the income statement.

g) Inventory

Inventory is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in selling and distribution.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

2. Accounting policies (continued)

h) Provisions

Provisions are recognised where:

- there is a present obligation as a result of a past event;
- it is probable that there will be an outflow of economic benefits to settle this obligation; and
- a reliable estimate of this amount can be made.

Self-insurance provisions are recognised for claims notified and for claims incurred but which have not yet been notified, based on advice from the ultimate parent company's independent insurance advisers.

Provisions are discounted to present value using a pre-tax discount rate that reflects the risks specific to the liability where the effect is material.

i) Leased assets

Leases where the Company obtains assets which transfer substantially all the risks and rewards of ownership to the Company are treated as finance leases. The lower of the fair value of the leased asset or the present value of the minimum lease payments is capitalised as an asset with a corresponding liability representing the obligation to the lessor. Lease payments are treated as consisting of a capital element and a finance charge; the capital element reduces the obligation to the lessor and the finance charge is written off to the income statement at a constant rate over the period of the lease in proportion to the capital amount outstanding. Depreciation is charged over the shorter of the estimated useful life and the lease period.

Leases where substantially all the risks and rewards of ownership remain with the lessor are classified as operating leases. Rental costs arising under operating leases are expensed on a straight line basis over the term of the lease. Leases of land are normally treated as operating leases, unless ownership is transferred to the Company at the end of the lease.

Where the Company transfers substantially all the risks and rewards of ownership of an asset to a lessee (finance lease), the assets are accounted for as if they had been sold, and the net investment in the lease is shown as a receivable due from the lessee. Over the lease term, rentals are apportioned between a reduction in the net investment in the lease and finance lease income, such that finance lease income produces a constant rate of return on the net cash investment in the lease. Finance lease income is included within finance income.

j) Retirement benefits

Contributions to defined contribution pension schemes are charged to the income statement in the period in which they fall due.

3. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies no critical judgments or accounting estimates were required.

4. Revenue

An analysis of revenue by class of business is as follows:

	15 months to 31 Mar 2019 £'000	12 months to 31 Dec 2017 £'000
Waste processing	1,057	634
Energy sales	5,035	3,694
	6,092	4,328

The Company's sales from continuing operations were derived in the UK.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

5. Operating costs

	15 months to 31 Mar 2019 £'000	12 months to 31 Dec 2017 (restated) £'000
Wages and salaries	200	152
Social security costs	19	16
Pension costs (note 19)	4	1
Total employee costs	223	169
Rates	175	246
Power	19	16
Depreciation	849	618
Operating lease rentals		
- land and buildings	147	98
Hired and contracted services	4	8
Hire of plant and machinery	36	41
Professional fees	44	21
Waste disposal	1,083	634
Transport	288	179
Consumables	277	248
Charge for bad and doubtful debts	72	–
Other operating costs	1,077	790
	4,294	3,068

Included in the above are audit fees of £11,000 (2017: £7,000) payable for the audit of the financial statements. No other fees were payable to the auditor (2017: nil).

6. Finance costs

	15 months to 31 Mar 2019 £'000	12 months to 31 Dec 2017 £'000
Interest expense charged on:		
Finance leases	3	–
Amounts payable to parent company	1,229	1,100
	1,232	1,100

7. Employees

The average monthly number of employees during the period (including Executive Directors) was as follows:

	15 months to 31 Mar 2019 Number	12 months to 31 Dec 2017 Number
Business services	4	4

8. Directors' interests and remuneration

The Directors in office at 31 March 2019 do not receive remuneration for their services for the Company. The emoluments of the Directors in office are paid by other companies within the Severn Trent Group.

Prior to the acquisition on 30 November 2018, those Directors in office were remunerated by former group companies.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

9. Taxation

a) Analysis of tax charge in the period

	15 months to 31 Mar 2019 £'000	12 months to 31 Dec 2017 £'000
Current tax at 19% (2017: 19.25%)		
Current period	237	–
Total current tax	237	–
Deferred tax		
Origination and reversal of temporary differences:		
- current period	22	32
- prior year	(35)	–
Total deferred tax	(13)	32
Total tax charge	224	32

b) Factors affecting the tax charge in the period

The tax assessed for the current period is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

The differences are explained below:

	15 months to 31 Mar 2019 £'000	12 months to 31 Dec 2017 £'000
Profit before taxation	566	160
Tax at the standard rate of corporation tax in the UK 19% (2017: 19.25%)	108	31
Tax effect of depreciation of non-qualifying assets	144	45
Non-deductible expenses	11	(39)
Non-taxable income	–	(26)
Group relief received without charge	–	(60)
Current year impact of rate change	(4)	6
Adjustments in respect of prior periods	(35)	–
Deferred tax not recognised	–	75
Total tax charge	224	32

The tax rate for the current period is lower than the prior year. This is due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017.

Changes to the UK corporation tax rate were substantively enacted as part of the Finance Act 2016. These include reductions to the corporation tax rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been calculated using these enacted rates and reflected in the financial statements.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

10. Property, plant and equipment

	Land and buildings £'000	Fixed plant and equipment £'000	Moveable plant and equipment £'000	Total £'000
Cost				
At 31 December 2017	–	15,871	5	15,876
Transfer	15,783	(15,783)	–	–
At 1 January 2018	15,783	88	5	15,876
Additions	115	8	–	123
At 31 March 2019	15,898	96	5	15,999
Depreciation				
At 31 December 2017	–	(640)	(1)	(641)
Transfer	(634)	634	–	–
At 1 January 2018	(634)	(6)	(1)	(641)
Charge for the period	(830)	(18)	(1)	(849)
At 31 March 2019	(1,464)	(24)	(2)	(1,490)
Net book value				
At 31 March 2019	14,434	72	3	14,509
At 31 December 2017	–	15,231	4	15,235

The carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases:

	31 Mar 2019 £'000	31 Dec 2017 £'000
Fixed plant and equipment	54	63

11. Trade and other receivables

	31 Mar 2019 £'000	31 Dec 2017 £'000
Current assets		
Trade debtors	40	31
Accrued income	1,323	761
Prepayments	28	136
Social security and other taxes	–	111
Other debtors	4	–
Amounts receivable from fellow group companies	164	224
	1,559	1,263
Non-current assets		
Amounts receivable from fellow group companies	500	–

The Company offers a facility of £5,000,000 to Severn Trent Green Power Limited. The loan is unsecured with interest payable at 6m LIBOR + 1.025% and matures on 11 January 2021.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

12. Inventory

	31 Mar 2019 £'000	31 Dec 2017 £'000
Consumables	29	157

13. Trade and other payables

	31 Mar 2019 £'000	31 Dec 2017 £'000
Current liabilities		
Trade payables	55	178
Accruals	292	264
Social security and other taxes	40	–
Amounts payable to immediate parent undertaking	3,341	–
Amounts payable to fellow group companies	117	1,233
	3,845	1,675
Non-current liabilities		
Amounts payable to immediate parent undertaking	12,486	14,975

The Company has a loan facility available of £15,000,000 from Severn Trent Green Power Biogas Limited. The loan is unsecured with interest payable at 7.95% and matures on 31 March 2021.

14. Borrowings

	31 Mar 2019 £'000	31 Dec 2017 £'000
Current liabilities		
Finance leases	10	9
Non-current liabilities		
Finance leases	28	40

15. Provisions

	Environmental £'000
At 1 January 2018 are previously reported	234
Restatement (see note 2 b)	(201)
At 1 January 2018 restated	33
Charged to income statement	1,084
Utilisation of provision	(1,044)
At 31 March 2019	73

Provisions relate to potential environmental costs. The associated outflows are estimated to arise over a period up to 12 months from the balance sheet date.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

16. Deferred tax

An analysis of the movements in the deferred tax liability recognised by the Company is set out below:

	Accelerated tax depreciation £'000
1 January 2017	–
Charge to the income statement	32
At 1 January 2018	32
Credit to the income statement	(13)
At 31 March 2019	19

17. Finance leases

Obligations under finance leases are as follows:

	31 Mar 2019 £'000	31 Dec 2017 £'000
Within 1 year	11	11
1 – 2 years	11	11
2 – 5 years	19	33
Gross obligations under finance leases	41	55
Less: future finance charges	(3)	(6)
Present value of finance lease obligations	38	49

Net obligations under finance leases fall due as follows:

	31 Mar 2019 £'000	31 Dec 2017 £'000
Within 1 year	10	9
1 – 2 years	10	10
2 – 5 years	18	30
Included in non-current liabilities	28	40
	38	49

Certain items of plant and equipment are held under finance lease agreements. Finance lease liabilities are secured by the related assets held under finance leases (see note 10). The lease agreements generally include fixed lease payments and the transfer of legal ownership at the end of the lease term.

18. Share capital

	31 Mar 2019 £'000	31 Dec 2017 £'000
Total issued and fully paid		
1,000 ordinary shares of £1 each	1	1

19. Pension commitments

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost for the current period is £4,000 (year ended 31 December 2017: £1,000). At the balance sheet date, contributions of nil (31 December 2017: nil) were outstanding.

Severn Trent Green Power (North London) Limited (formerly Agrivert (North London) Limited)

Notes to the financial statements (continued)

20. Contingent liabilities

The banking arrangement of the Company operate on a pooled basis with certain fellow group undertakings. Under these arrangements participating companies guarantee each others' balances only to the extent that their credit balances can be offset against overdrawn balances of other Severn Trent Group companies.

At 31 March 2019 the Company's maximum exposure under these arrangements was £506,000 (31 December 2017: £172,000).

21. Post balance sheet events

There have been no significant post balance sheet events.

22. Related party transactions

There were no transactions with the Directors of the Company during the 15 month period ended 31 March 2019 or in the year ended 31 December 2017.

In accordance with the exemption allowed by FRS 101, no disclosure is made of transactions with other wholly owned subsidiary companies which are consolidated into the Severn Trent Plc Group.

23. Ultimate parent undertaking

The immediate parent undertaking is Severn Trent Green Power Biogas Limited.

Severn Trent Green Power Holdings Limited is the parent undertaking and controlling party of the smallest group to consolidate these financial statements. The registered office of Severn Trent Green Power Holdings Limited is The Stables, Radford, Chipping Norton, Oxfordshire, OX7 4EB.

The ultimate parent undertaking and controlling party is Severn Trent Plc, which is the parent undertaking and controlling party of the largest group to consolidate these financial statements. Copies of the Severn Trent Plc consolidated financial statements can be obtained from Severn Trent Plc's registrars at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.