ATCO POWER GENERATION LTD.

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

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The Company's registered number is 2484736

ATCO POWER GENERATION LTD.

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

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ATCO POWER GENERATION LTD.

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements of ATCO Power Generation Ltd. (the Company) for the year ended 31 December 2018. This report has been prepared in accordance with the special provision of Section 380 of the Companies Act 2006 relating to small companies. ATCO Power Generation Ltd. is incorporated in the United Kingdom.

Results and dividend

The profit for the financial year ended 31 December 2018 is £53,693,888 (2017: £3,548,871).

Dividends were paid during the year £39,000,000 (2017: £Nil). The profit of £53,693,888 (2017: profit of £3,548,871) has been taken to reserves.

The company received dividends from Barking Power Limited, a subsidiary company, of £2,343,219 of which £1,300,000 was paid in cash and £1,043,219 was a dividend in specie waiving the loan balance and interest due to Barking Power Limited from ATCO Power Generation Ltd of the same amount. Thames Power Services Limited paid a cash dividend of £700,000 during the year.

Principal activities and business review

ATCO Power Generation Ltd. is a subsidiary of ATCO Power (2010) Ltd. in Canada. The Company's ultimate parent company and controlling party is ATCO Ltd. (incorporated in Canada), referred to as the ATCO Group. The Company's activities concern the development of, investment in and the provision of services to power generating projects.

The Company invested, in 1992, in a project to build and operate a 1,000MW gas fired power station in Dagenham, Essex (Barking Power Station). In October 2014 Barking Power Limited ceased operations and commenced decommissioning. In March 2016 the Company acquired from EDF and from SSE respectively their shares in Barking Power Limited. In December 2017, the shares previously held by Thames Power Limited in Barking Power Limited and in Thames Power Services Limited, were transferred to the Company by way of a distribution in specie.

On the 14 December 2018, the Company sold its interests in its subsidiary companies Barking Power Limited and Thames Power Services Limited, therefore, ceasing to trade on that date.

The Company's directors are of the opinion that there are no meaningful financial or non-financial key performance indicators that would be necessary or appropriate for an understanding of the development, performance or position of the Company's activities since the principal activity of the Company is its investment in subsidiaries and their financial performance is reviewed separately in their financial statements.

Future developments

The company has commenced the wind-down of its operations in the UK. It is expected that the company will be dissolved by the end of 2019.

Going Concern

The financial statements have been prepared on a basis other than going concern as the directors intend to liquidate the company by the end of 2019. Adjustments have been made to write down the assets of the company to realisable value and to record liabilities as a result of winding down the company. The most significant adjustments were to recognise a provision of £520,588 for costs incurred in bringing the existing business of the company to an orderly close and the recognition of a provision for onerous contracts of £278,161.

Risk management

Given the nature of ATCO Power Generation's operations, the Company has a certain degree of exposure to financial risks including credit risk and liquidity risk. The ATCO Group conducts regular risk reviews to identify risk factors which may affect the business and financial performance. The ATCO Group's internal audit function reviews these risks with each business, agreeing controls to mitigate these risks wherever possible..

Credit risk
Credit risk arises on debtors. The Company's debtors include its subsidiaries and their investments. The Company has good visibility of the financial viability of these counterparties which mitigates the Company's exposure to credit risk. The Company constantly assesses its credit exposure to its associated companies and investments

Liquidity risk
The Company manages liquidity risk by financing its activities through its cash resources. There is no debt finance.

Operational risk
The contractual and operational risks of the subsidiary businesses are regularly reviewed and assessed by those businesses, the results of which are clearly visible to the directors of the Company. Barking Power Limited commenced some limited demolition activities in the year. There remain various risks associated with those site activities and with its infrastructure assets including environmental and financial risks. The activities of Barking Power Limited are closely monitored by its Board and assisted by professional advisors to ensure appropriate risk management strategies are implemented to minimise this risk. The directors have used conservative estimates in valuing the assets and, where possible, obtained independent assessment of their value.

Post balance sheet events

On 26 February 2019 the following activities took place:

1) 3,000,000 New Ordinary Shares in the Company, each of one pound, were issued and allotted to ATCO Power (2010) Ltd;
2) The Company reduced its share capital by £35,305,002;
3) A resolution was passed to pay a dividend of £34,526,614 in cash to ATCO Power (2010) Ltd to set-off against the obligation of ATCO Power (2010) Ltd to repay amounts owing to the Company.

On 22 January 2019, the City of London Corporation issued a Disagreement Notice in respect of the Completion Statement concluding the sale of shares by the Company in Barking Power Limited and Thames Power Services Limited. The disagreement was resolved on 30 August 2019.

Directors

J W Ell	(appointed 14 June 2019)
M D Jones	(resigned 16 April 2019)
S W Kiefer	(resigned 3 September 2019)
K A Nielsen	(appointed 10 May 2019, resigned 14 June 2019)
K-J Patrick	(appointed 3 September 2019)
P A Rosenthal	(resigned 31 March 2019)
B Shkrobot	(appointed 10 May 2019, resigned 3 September 2019)
W K Stensby	(appointed 3 September 2019)
R J Urwin	(resigned 3 September 2019)
C G Warkentin	(appointed 1 June 2017, resigned 10 April 2019)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Statement of directors' responsibilities

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

The directors 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.

ATCO POWER GENERATION LTD.

Directors' report for the year ended 31 December 2018

Statement of disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board:

Director
25 September 2019

Registered Office:
10 Norwich Street,
London,
EC4A 1BD

Independent auditors' report to the members of ATCO Power Generation Ltd.

Report on the audit of the financial statements

Opinion

In our opinion, ATCO Power Generation Ltd.'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the profit and loss account and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Kevin McGhee

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 September 2019

ATCO POWER GENERATION LTD.

Profit and loss account for the year ended 31 December 2018

	Notes	2018	2017
		£	£
Turnover	3	39,442	237,370
Cost of sales		(39,442)	(237,370)
Gross profit		-	-
Administrative expenses		(1,831,185)	(959,981)
Profit on disposal of shares in group undertakings	4	68,575,980	-
Income from shares in group undertakings	11	3,043,219	4,529,372
Profit before interest and taxation		69,788,014	3,569,391
Interest receivable and similar income	5	14,589	315
Interest payable and similar expenses	6	(23,534)	(20,835)
Profit before taxation	7	69,779,069	3,548,871
Tax on profit on ordinary activities	8	(16,085,181)	-
Profit for the financial year		53,693,888	3,548,871

There are no items recognised in other comprehensive income, therefore a statement of other comprehensive income has not been presented.

All operations are discontinued.

The notes on pages 10 to 19 form part of these financial statements.

ATCO POWER GENERATION LTD.

Statement of financial position at 31 December 2018
Company Registration Number: 2484736

	Notes	2018	2017
		£	£
Fixed assets			
Investments	11	-	59,167,962
		-	59,167,962
Current assets			
Debtors: amounts falling due within one year	12	94,466	69,878
Investments		90	-
Cash at bank and in hand		90,528,372	661,197
		90,622,928	731,075
Creditors:			
Amounts falling due within one year	13	(16,677,188)	(1,445,933)
Net current assets / (liabilities)		73,945,740	(714,858)
Provisions	14	(798,748)	-
Net assets		73,146,992	58,453,104
Capital and reserves			
Called up share capital	15	35,405,002	35,405,002
Revaluation reserve		-	17,481,131
Profit and loss account		37,741,990	5,566,971
Total shareholders' funds		73,146,992	58,453,104

The notes on pages 10 to 19 form part of these financial statements.

All operations are discontinued.

The financial statements on pages 7 to 19 were approved and authorised by the Board of Directors on 25th September 2019 and signed on behalf of the Board by:

Director

ATCO POWER GENERATION LTD.

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Revaluation Reserve	Profit and loss account	Total Shareholders' funds
	£	£	£	£
Balance as at 1 January 2017	35,405,002	17,481,131	2,018,100	54,904,233
Profit for the financial year	-	-	3,548,871	3,548,871
Balance as at 1 January 2018	35,405,002	17,481,131	5,566,971	58,453,104
Profit for the financial year	-		53,693,888	53,693,888
Release of revaluation on disposal of shares in group undertaking		(17,481,131)	17,481,131	-
Dividends			(39,000,000)	(39,000,000)
Balance as at 31 December 2018	35,405,002	-	37,741,990	73,146,992

All operations are discontinued.

The notes on pages 10 to 19 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2018

1 General Information

The Company's activities concern the development of, investment in and the provision of services to power generating projects. The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 10 Norwich Street, London EC4A 1BD.

2 Significant Accounting policies

The following are the significant accounting policies of the Company. These policies have been consistently applied to all the years presented, unless otherwise stated:

a) Basis of accounting
The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Company's management to exercise judgement in applying the Company's accounting policies.

Going Concern
The financial statements have been prepared on a basis other than going concern as the directors intend to liquidate the company by the end of 2019. Adjustments have been made to write down the assets of the company to realisable value and to record liabilities as a result of winding down the company. The most significant adjustments were to recognise a provision of £520,588 for costs incurred in bringing the existing business of the company to an orderly close and the recognition of a provision for onerous contracts of £278,161.

b) Taxation
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

2 Significant Accounting policies (continued)

c) Turnover
Turnover is stated net of value added tax and represents fees receivable for consultancy and service contracts which are recognised as the services are performed.

d) Leases
Operating lease costs are charged to the profit and loss account on a straight line basis over the life of the lease.

e) Foreign currency
Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any exchange differences are taken to the profit and loss account.

f) Investments in subsidiaries, associates and joint ventures
Investment in subsidiaries, associates and joint ventures are held at cost less accumulated impairment losses.

At each balance sheet date investments not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit). The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the assets have been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised valuation. Thereafter any excess is recognised in the profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

The profit or loss on the disposal of investments is recognised in the profit and loss account. Where the investment has been previously revalued the revaluation reserve is released to the profit and loss account in the statement of changes in equity in the same period.

g) Dividends
Dividends receivable are recognised when the right to receive payment has been established.

h) Financial Assets
Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

2 Significant Accounting policies (continued)

At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit and loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

i) Financial liabilities
Basic financial liabilities, including trade and other payables and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables 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. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using effective interest method.

Financing liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

j) Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statements of cash flows, prepared for its holding company, includes the Company's cash flows;
(ii) from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

k) Going concern
The financial statements have been prepared on a basis other than going concern as the directors intend to liquidate the company by the end of 2019. Adjustments have been made to write down the assets of the company to realisable value and to record liabilities as a result of winding down the company. The most significant adjustments were to recognise a provision of £520,588 for costs incurred in bringing the existing business of the company to an orderly close and the recognition of a provision for onerous contracts.

3 Turnover

Turnover is stated net of value added tax and represents fees receivable for consultancy and service contracts which are recognised as the services are performed.

4 Profit on disposal of shares in group undertakings

	2018	2017
	£	£
Sale Proceeds	129,594,719	-
Direct Sales Costs	(1,700,868)	-
Transfer from Revaluation Reserve	(17,481,131)	-
Cost of Investments	(41,836,740)	-
Profit on disposal of shares in group undertakings	68,575,980	-

5 Interest receivable and similar income

	2018	2017
	£	£
Bank interest receivable	14,585	315

6 Interest payable and similar expenses

	2018	2017
	£	£
Interest payable	23,534	20,835

The company had a loan agreement with Barking Power Limited where a sum of £1,000,000 has been advanced to ATCO Power Generation Ltd. at a rate of 2.5% interest per annum on 8 March 2017. The balance due to Barking Power Limited amounted to £1,043,219, including interest of £43,219. This amount was settled by way of a dividend in specie from Barking Power Limited on the 6th of December 2018, eliminating the intercompany payable in the books ATCO Power Generation Ltd. The balance due to Barking Power Limited at 31 December 2018 is £Nil (2017: £1,020,342 including interest of £20,342).

7 Profit before taxation

The profit before taxation is stated after charging the following items:

	2018	2017
	£	£
Auditors' remuneration	46,000	33,915
Remuneration to auditors for tax compliance	17,000	9,739
Profit on disposal of shares in Group undertaking	68,575,980	-
Operating lease payments – office rent	92,250	92,250
Foreign exchange loss	4,584	1,137
Staff costs (note 9)	458,626	253,006

8 Tax on profit on ordinary activities

Corporation tax has been charged at a rate of 19 % (2017: 19.25%) on profits for the year and comprises:

	2018	2017
	£	£
Corporation tax - current year	16,085,181	-
Taxation on profit	16,085,181	-

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	£	£
Profit before tax	69,779,069	3,548,871
Profit multiplied by standard rate in the UK: 19% (2017: 19.25%)	13,258,023	683,158
Effects of:		
Expenses not deductible for tax purposes	1,537,821	14,532
Release of revaluation reserve on disposal	3,321,415	-
Indexation on sale of shares	(1,302,604)	-
NonTaxable Income	(593,054)	(871,904)
Losses not recognised as deferred tax asset	-	179,997
Losses brought forward	(136,420)	-
Other	-	(5,783)
Total tax	16,085,181	-

9 Staff costs

	2018	2017
	£	£
Wages and salaries	414,225	199,384
Social security costs	24,887	22,902
Other pension costs	19,515	30,720
	458,627	253,006

The monthly average number of persons employed by the Company during the year was 2 (2017: 2). All employees are involved in management and administration activities.

10 Directors' emoluments

	2018	2017
	£	£
Aggregate emoluments	234,869	312,132

The emoluments of 3 directors (2017: four directors) are paid by the ultimate parent company. These individuals are also directors of other companies within the ATCO Group. No recharges are made to the Company. It is not possible to make an accurate apportionment of their emoluments and accordingly the above details include no amounts for these individuals. Total emoluments for these individuals are included within the aggregate directors' emoluments as disclosed in the financial statements of ATCO Ltd.

Two other directors (2017: two directors) received emoluments from a related undertaking and disclosure is made in the financial statements of Thames Power Services Limited, of which £214,553 (2017: £312,132) has been recharged to the Company. The highest paid director's emoluments amounted to £217,728 (2017: £293,432).

During the year one director (2017: one director) exercised share options in the ultimate parent company or other group company.

The Directors of ATCO Power Generation Ltd. are considered to be the key management personnel.

11 Investments

Shares in group undertakings

Participating interests in Subsidiary undertakings

	2018	2017
	£	£
At 1 January	59,167,962	54,837,040
Dividend in specie- shares in Barking Power Limited	-	4,330,920
Dividend in specie- shares in Thames Power Services Limited	-	2
Disposal of shares in group undertakings	(59,167,872)	-
Transfer of Investments to Current Assets	(90)	
At 31 December	-	59,167,962

At the balance sheet date investments are assessed to determine whether there is an indication that the asset may be impaired, if there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset. If the recoverable amount of the investments is lower than the carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in the profit and loss account. In 2018 the directors do not believe that the carrying value of the investments is less than its recoverable amount as this is nil (in 2017 the carrying value was assessed with nil charged to impairment).

On 18 March 2016, the Company acquired the shares in Barking Power Limited, classifying it as a subsidiary, until that date Barking Power Limited was classified as a joint venture. As a result of corporate restructuring in December 2017, Thames Power Limited, its wholly owned subsidiary, transferred its interest in Barking Power Limited and Thames Power Services Limited directly to ATCO Power Generation Ltd. by means of dividend in specie, making Barking Power Limited and Thames Power Services Limited, wholly owned subsidiaries of ATCO Power Generation Ltd. through direct ownership.

On 14 December 2018 ATCO Power Generation Ltd. sold its interests in Barking Power Limited and Thames Power Services Limited. The gain on the disposal of its shares in group undertakings amounted to £68,575,980.

12 Debtors: amounts falling due within one year

	2018	2017
	£	£
Amounts owed by group undertakings	526	14,285
Other debtors	-	572
VAT recoverable	48,963	4,735
Prepayments and accrued income	44,977	50,286
	94,466	69,878

Notes to the financial statements for the year ended 31 December 2018 (continued)

13 Creditors: Amounts falling due within one year

	2018	2017
	£	£
Amounts owed to group undertakings	10,469	1,274,662
Taxation and social security	17,411	7,489
Corporation Tax	16,085,181	-
Other creditors	11,242	11,242
Accruals and deferred income	552,885	152,540
	16,677,188	1,445,933

The company has a loan agreement with Barking Power Limited where a sum of £1,000,000 has been advanced to ATCO Power Generation Ltd. at a rate of 2.5% interest per annum on 8 March 2017. The balance due to Barking Power Limited at 31 December 2018 is £Nil (2017: £1,020,342 including interest of £20,342). The loan was settled by 14 December 2018 by means of a dividend in specie.

14 Provisions

	2018	2017
	£	£
At 1 January	-	-
Onerous contract provisions	278,161	-
Wind-down provisions	520,587	-
At 31 December	798,748	-

The company has discontinued its operation and is expected to be dissolved by the end of 2019. Provision represents the costs of winding down its operations and settling all contractual liabilities to dissolve the company by the end of 2019. As these provisions are expected to be incurred within 12 months of the balance sheet date, the effect of discounting is immaterial.

15 Called up share capital

	2018
	£
As at 1 January 35,405,002 ordinary shares of £1 each	35,405,002
As at 31 December 35,405,002 ordinary shares of £1 each	35,405,002

16 Related party transactions

The Company, as a wholly owned subsidiary undertaking, has taken advantage of the exemption from disclosure of related party transactions permitted by FRS 102.

Related Undertaking Disclosure

Name	Holding Type	Incorporated In	Equity Owned (2018)	Equity Owned (2017)	Registered Office
Thames Power Limited	Direct	UK	100%	100%	10 Norwich Street London EC4A 1BD
Thames Power Services Limited (Sold on 14 December 2018)	Direct	UK	0%	100%	Guildhall PO Box 270 London EC2P 2EJ
Barking Power Limited (Sold on 14 December 2018)	Direct	UK	0%	100%	Guildhall PO Box 270 London EC2P 2EJ

17 Cash flow statement

The company has taken advantage of the exemption to provide a cash flow statement permitted by FRS 102 as it is a wholly owned subsidiary of ATCO Power (2010) Ltd, whose consolidated statement of changes in cash position is publicly available at the address below (note 20).

18 Consolidated financial statements

The company has taken advantage of the exemption provided by S401 CA 2006, which exempts a company to prepare group financial statement if itself is a subsidiary undertaking and the parent undertaking ATCO Power (2010) Ltd is not established under law of an EEA state.

19 Post balance sheet events

On 26 February 2019 the following activities took place:

1) 3,000,000 New Ordinary Shares in the Company, each of one pound, were issued and allotted to ATCO Power (2010) Ltd;
2) The Company reduced its share capital by £35,305,002;
3) A resolution was passed to pay a dividend of £34,526,614 in cash to ATCO Power (2010) Ltd set-off against the obligation of ATCO Power (2010) Ltd to repay amounts owing to the Company.

On 22 January 2019, the City of London Corporation issued a Disagreement Notice in respect of the Completion Statement concluding the sale of shares by the Company in Barking Power Limited and Thames Power Services Limited. The disagreement was resolved on 30 August 2019.

20 Ultimate parent company

The Company's ultimate parent company and controlling party is ATCO Ltd. (incorporated in Canada). This is the largest group of which the Company is a member for which group financial statements are prepared. The parent undertaking of the smallest group of which the Company is a member and for which group financial statements are prepared is ATCO Power (2010) Ltd. (incorporated in Canada). Copies of these group financial statements can be obtained from the Corporate Secretary of ATCO Ltd. at 5302 Forand Street SW, Calgary, Alberta T3E 8B4 Canada or from the website at www.atco.com.