

Severn Trent Green Power Composting Limited

Annual report and financial statements for the year ended 31 March 2021

Company number: 04927756

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Severn Trent Green Power Composting Limited

**Annual report and financial statements
for the year ended 31 March 2021**

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Severn Trent Green Power Composting Limited

Company information

Company number	04927756
Directors	R C McPheely N Corrigan (resigned 31 January 2021) A P Smith (resigned 1 July 2020) H M Miles (appointed 1 July 2020) N G Pollington (appointed 27 September 2021) C E Stoyell (appointed 31 January 2021) M Williamson (appointed 31 January 2021)
Secretary	G Eagle
Registered office	The Stables Radford Chipping Norton Oxfordshire OX7 4EB
Banker	National Westminster Bank Plc 250 Bishopsgate London EC2M 4AA
Solicitor	Herbert Smith Freehills LLP Exchange House Primrose Street London EC2A 2EG

Severn Trent Green Power Composting Limited

Strategic report

The Directors present their Strategic report for the year ended 31 March 2021.

Business review and principal activities

The Company is a wholly owned subsidiary of Severn Trent Plc.

The principal activity of the Company is to act as a holding company. The Company holds investments in companies involved in the processing and recycling of both green waste and co-mingled food and green waste and holds leased assets that are used by other Group companies as part of these activities.

There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities or prospects 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 this 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 loss for the financial year after taxation was £91,000 (2020: £100,000). The Directors do not recommend the payment of a dividend (2020: 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's Group 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

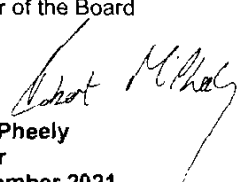
As at 31 March 2021, the Company had net liabilities of £191,000 (2020: £100,000) and net current assets of £28,000 (2020: net current liabilities of £333,000).

The Company has received confirmation from Severn Trent Green Power Limited that it will continue to provide such support as the Company requires to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

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. When existing loans reach maturity the appropriate funding will be established as required to ensure such obligations can be met. 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.

Throughout the year and following the year end, the Board has considered and monitored the impact of COVID-19, in particular to evaluate its impact on financing and liquidity. This indicates that, while there has been a financial impact, this has not resulted in a significant impact to the Company's expected liquidity or solvency that cannot be addressed by mitigating actions.

By order of the Board


R C McPheely
Director
10 December 2021

Severn Trent Green Power Composting Limited

Directors' report

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2021.

Matters included in the Strategic report

The following matters are included in the Company's Strategic report on the preceding page:

- Business review and principal activities of the Company
- Results and dividends
- Principal risks and uncertainties
- *Financial position and going concern.*

Directors

The Directors who served during the year are shown on page 2.

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. These indemnities were in force throughout the year and up to the date of signing of 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).

Post balance sheet events

There have been no significant post balance sheet events.

Severn Trent Green Power Composting Limited

Directors' report (continued)

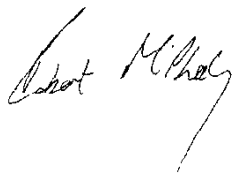
Directors' responsibilities statement

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting standards, including Financial Reporting Standard 101 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is 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.



R C McPheely
Director
10 December 2021

Severn Trent Green Power Composting Limited

Income statement

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Other income		7	–
Operating costs	3	(4)	(5)
Profit/(loss) before interest and tax		3	(5)
Finance costs		(115)	(118)
Loss on ordinary activities before taxation		(112)	(123)
Taxation on loss on ordinary activities	7	21	23
Loss for the period		(91)	(100)

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 Composting Limited

Balance sheet

At 31 March 2021

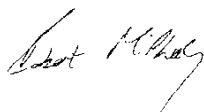
	Note	2021 £000	2020 £000
Non-current assets			
Investments	8	2,334	2,334
Right-of-use assets	9	35	39
		2,369	2,373
Current assets			
Trade and other receivables		44	23
		44	23
Current liabilities			
Borrowings	11	(5)	(4)
Trade and other payables	12	(11)	(352)
		(16)	(356)
Net current assets/(liabilities)		28	(333)
Total assets less current liabilities		2,397	2,040
Non-current liabilities			
Borrowings	11	(2,588)	(2,140)
Net liabilities		(191)	(100)
Equity			
Called up share capital	13	—	—
Total retained earnings		(191)	(100)
Total equity		(191)	(100)

For the year ended 31 March 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 (the Act) relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors on 10 December 2021. They were signed on its behalf by:



R C McPheely
Director
10 December 2021
Company Number: 04927756

Severn Trent Green Power Composting Limited

Statement of changes in equity

For the year ended 31 March 2021

	Share capital	Retained earnings	Total
	£'000	£'000	£'000
At 1 April 2019	—	—	—
Total comprehensive loss for the year	—	(100)	(100)
At 1 April 2020	—	(100)	(100)
Total comprehensive loss for the year	—	(91)	(91)
At 31 March 2021	—	(191)	(191)

Severn Trent Green Power Composting Limited **Notes to the financial statements**

1. 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 at fair value, and in accordance with applicable United Kingdom Accounting Standards and comply with the requirements of the Companies Act 2006. The principal accounting policies, which have been applied consistently in the current and preceding period are set out below.

Severn Trent Green Power Composting 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 and Wales.

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.

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.

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 16.

c) Taxation

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

Current tax is recognised in profit or loss, except where it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity, respectively.

2. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, the Company has made no critical accounting judgments and there are no key sources of estimation uncertainty.

3. Operating costs

	2021 £'000	2020 £'000
Depreciation of right of use assets	4	—
Hired and contracted services	—	5
Total operating costs	4	5

4. Employee numbers

The average monthly number of employees (including Executive Directors) during the year was nil (2020: nil).

Severn Trent Green Power Composting Limited

Notes to the financial statements (continued)

5. Directors' remuneration

The emoluments of the Directors are paid by other companies within the Severn Trent Group.

6. Finance costs

	2021 £'000	2020 £'000
Interest charged on:		
Amounts payable to group undertakings	115	118

7. Taxation

a) Analysis of tax credit in the year

	2021 £'000	2020 £'000
Current tax at 19% (2020: 19%)		
Current year	21	23

b) Factors affecting the tax credit in the year

The tax assessed for the current year is equal to (2020: equal to) the tax at the standard rate of corporation tax in the UK of 19% (2020: 19%).

8. Investments

The Company has the following subsidiary undertakings:

Subsidiary undertaking	Country of operation and incorporation	Principal activity	Percentage and class of share capital held
Severn Trent Green Power (Hertfordshire) Limited	United Kingdom	Trading company	100% Ordinary
Severn Trent Green Power (Ardley) Limited	United Kingdom	Trading company	100% Ordinary

The registered office of the aforementioned entities is The Stables, Radford, Chipping Norton, Oxfordshire, OX7 4EB.

	Shares in subsidiary undertakings £'000
At 1 April 2020 and 31 March 2021	2,334

In the opinion of the Directors the fair values of the Company's investments are not less than the amount at which they are stated in the balance sheet.

Severn Trent Green Power Composting Limited **Notes to the financial statements (continued)**

9. Leases

a) The Company's leasing activities

The Company leases a property. Lease agreements are typically made for fixed periods of up to 25 years.

Lease contracts are negotiated on an individual basis and include a wide range of terms and conditions. The contracts do not include covenants other than security interests in the leased assets that are held by the lessor and leased assets may not be used as security for other borrowing. The contracts do not impose any restrictions on dividend payment, additional debt or further leasing. There were no sale and leaseback transactions in the period.

b) Income statement

The income statement includes the following amounts relating to leases:

	2021 £'000	2020 £'000
Depreciation charge of right-of-use assets:		
Land and buildings	4	–

c) Balance sheet

The Company did not hold any leases on 1 April 2019, the date of adoption of IFRS 16. The only lease held by the Company commenced after the adoption date. There is therefore no adjustment on initial adoption of IFRS 16.

The balance sheet includes the following amounts relating to leases:

	2021 £'000	2020 £'000
Right-of-use assets:		
Land and buildings	35	39

Additions to right-of-use assets during the year were nil.

	2021 £'000	2020 £'000
Lease liabilities:		
Current liabilities	5	4
Non-current liabilities	33	39
	38	43

Severn Trent Green Power Composting Limited

Notes to the financial statements (continued)

9. Leases (continued)

Obligations under leases were as follows:

	31 March 2021 £'000	31 March 2020 £'000
Within 1 year	5	5
1 - 2 years	5	5
2 - 5 years	15	15
After more than 5 years	19	23
Gross obligations under leases	44	48
Less: future finance charges	(6)	(5)
Present value of lease obligations	38	43

Net obligations under leases were as follows:

	31 March 2021 £'000	1 April 2020 £'000
Within 1 year	4	4
1 - 2 years	4	4
2 - 5 years	13	17
After more than 5 years	17	18
Included in non-current liabilities	34	39
	38	43

10. Trade and other receivables

	2021 £'000	2020 £'000
Current assets		
Intercompany group relief receivable	44	23

11. Borrowings

	2021 £'000	2020 £'000
Current liabilities		
Lease liabilities	5	4
	5	4
Non-current liabilities		
Loans due to parent and fellow subsidiary undertakings	2,555	2,101
Lease liabilities	33	39
	2,588	2,140
	2,593	2,149

Severn Trent Green Power Composting Limited

Notes to the financial statements (continued)

12. Trade and other payables

	2021 £'000	2020 £'000
Current liabilities		
Amounts owed to fellow subsidiary undertakings	11	352

13. Share capital

	2021 £'000	2020 £'000
Total issued and fully paid share capital		
1 ordinary shares of £1 each (2020:1)	—	—

14. Post balance sheet events

There have been no significant post balance sheet events.

15. Related party transactions

There have been no transactions with the Directors of the Company during the last financial year.

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.

16. Ultimate parent undertaking

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

Severn Trent Green Power Holdings Limited is the parent undertaking of the smallest group to consolidate these financial statements. Financial statements for Severn Trent Green Power Holdings Limited can be obtained from 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.