

Company Registration No. 09763702 (England and Wales)

**LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

**PAGES FOR FILING WITH REGISTRAR**



# LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	3	5,333,000		4,632,074	
Tangible assets	4	1,911,627		1,059,041	
<b>Current assets</b>					
Debtors	5	207,163		246,020	
Cash at bank and in hand		1,080,286		328,545	
		<u>1,287,449</u>		<u>574,565</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,415,069)</u>		<u>(850,940)</u>	
<b>Net current liabilities</b>			<u>(127,620)</u>		<u>(276,375)</u>
<b>Total assets less current liabilities</b>			<u>7,117,007</u>		<u>5,414,740</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(8,767,538)		(6,183,020)
<b>Provisions for liabilities</b>			<u>(43,571)</u>		<u>(18,103)</u>
<b>Net liabilities</b>			<u>(1,694,102)</u>		<u>(786,383)</u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss reserves			(1,694,103)		(786,384)
<b>Total equity</b>			<u>(1,694,102)</u>		<u>(786,383)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28-6-19 and are signed on its behalf by:

  
.....  
Ms Clare  
Director

Company Registration No. 09763702

# LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 MARCH 2019*

---

### 1 Accounting policies

#### Company information

Lee Valley Heat Network Operating Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is Enfield Council, Civic Centre, Silver Street, Enfield, Middlesex, England, EN1 3XA.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The directors are aware that the significant loss for the year may cast doubt about the company's ability to continue as a going concern. On the basis that long term funding has been approved for the company, the directors have deemed it reasonable to prepare the accounts on a going concern basis.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation of the intangible asset will commence when it is completed and in use.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	over 60, 25 and 12 years
---------------------	--------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

---

### 1 Accounting policies

(Continued)

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2018 - 3).

### 3 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 April 2018	4,632,074
Additions	700,926
	<hr/>
At 31 March 2019	5,333,000
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2018 and 31 March 2019	-
	<hr/>
<b>Carrying amount</b>	
At 31 March 2019	5,333,000
	<hr/>
At 31 March 2018	4,632,074
	<hr/>

# LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 April 2018	1,059,041
Additions	874,120
At 31 March 2019	<u>1,933,161</u>
<b>Depreciation and impairment</b>	
At 1 April 2018	-
Depreciation charged in the year	21,534
At 31 March 2019	<u>21,534</u>
<b>Carrying amount</b>	
At 31 March 2019	<u>1,911,627</u>
At 31 March 2018	<u>1,059,041</u>

### 5 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	38,985	9,804
Amounts owed by group undertakings	3,822	131,263
Other debtors	164,356	104,953
	<u>207,163</u>	<u>246,020</u>

### 6 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	854,195	72,591
Other creditors	560,874	778,349
	<u>1,415,069</u>	<u>850,940</u>

Included in other creditors due within one year is an amount of £107,723 (2018: £39,515) due to the London Borough of Enfield, a related party.

# LEE VALLEY HEAT NETWORK OPERATING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

---

**7 Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Other creditors	8,767,538	6,183,020

Included in other creditors due after more than one year is an amount of £8,739,572 (2018: £6,155,053) due to the London Borough of Enfield, a related party.

**8 Called up share capital**

	2019 £	2018 £
<b>Ordinary share capital Issued and fully paid</b>		
1 Ordinary of £1 each	1	1
	<u>1</u>	<u>1</u>

**9 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Francis Corbishley.

The auditor was Moore Stephens Northern Home Counties Limited.