

Company Registration No. 04727708 (England and Wales)

REALPOWER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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REALPOWER LIMITED

COMPANY INFORMATION

Directors

Mr S A Woods (Appointed 26 March 2018)
Mr P R Needham
Mr W Power (Appointed 30 November 2017)
Mr T Walsh

Company number

04727708

Registered office

Enviro Building Private road
No 4 Colwick Industrial Estate
Nottingham
NG4 2JT

Auditor

KPMG LLP
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

REALPOWER LIMITED

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REALPOWER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The company's principal activities during the year were that of a property holding company and provision of management services to Enva England Limited (formerly Wastecycle Limited).

Change of ownership

On 30 May 2017, DCC plc (at that time the ultimate parent of Realpower Limited), sold its Environmental division to Exponent, a leading private equity firm. Under Exponent's ownership, the environmental companies have formed Enva, a leading waste management, recycling and resource recovery group of businesses based in the UK and Ireland. The ultimate parent company in the group is Enva Topco Limited.

Results and dividends

All income is derived from the company's main trading subsidiary, Enva England Limited, either as management fees, rental income or dividend income. Income is lower than last year due to the prior year containing a dividend payment by Enva England Limited of £1,200,000. Costs comprise rental of land in Leicester, directors' remuneration, management of owned land in Nottingham and interest paid on group borrowings.

The directors consider a profit after tax and interest of £518,000 (2017: £1,397,000) to be a satisfactory result for the year.

No ordinary or preference dividends were paid (2017: nil). The directors do not recommend payment of a final dividend.

Principal risks and uncertainties

Risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the company.

The key business risks and uncertainties affecting the Company are considered to relate to continued success of Enva England Limited's businesses as the Company is a property management deriving its income from management services provided to and properties occupied by Enva England Limited.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S A Woods	(Appointed 26 March 2018)
Mr P R Needham	
Mr W Power	(Appointed 30 November 2017)
Mr T Walsh	
Mr M T Tracey	(Resigned 30 May 2017)
Mr N B Cole	(Resigned 30 November 2017)

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

REALPOWER LIMITED

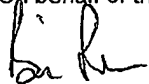
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr W Power

Director

Date: 14/12/18

REALPOWER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REALPOWER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REALPOWER LIMITED

Opinion

We have audited the financial statements of Realpower Limited ("the company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

REALPOWER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF REALPOWER LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

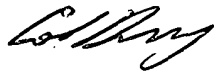
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Colin Brearley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

18 December 2018

REALPOWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £000	2017 £000
Administrative expenses		(1,075)	(901)
Other operating income	2	1,773	1,325
Operating profit	3	698	424
Income from shares in group undertakings	6	-	1,200
Interest payable to group undertakings	7	(19)	(128)
Profit before taxation		679	1,496
Tax on profit	8	(161)	(99)
Profit and total comprehensive income for the financial year	18	518	1,397

All results relate to continuing operations. There were no recognised gains or losses in either the current or prior year other than the result shown above. Accordingly, no other comprehensive income is presented.

The notes on pages 9 to 22 form part of these financial statements.

REALPOWER LIMITED

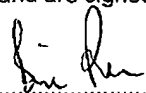
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investment property	9	3,065	3,236
Investments	10	5,464	5,464
		<u>8,529</u>	<u>8,700</u>
Current assets			
Trade and other receivables	12	840	731
Trade and other receivables falling due after more than one year	12	102	102
Cash and cash equivalents		284	27
		<u>1,226</u>	<u>860</u>
Current liabilities			
Trade and other payables	13	3,689	4,012
		<u>(2,463)</u>	<u>(3,152)</u>
Net current liabilities			
Total assets less current liabilities		<u>6,066</u>	<u>5,548</u>
Provisions for liabilities			
Deferred tax liabilities	14	3	3
		<u>6,063</u>	<u>5,545</u>
Net assets			
Equity			
Called up share capital	16	206	206
Share premium account	17	1,079	1,079
Retained earnings	18	4,778	4,260
		<u>6,063</u>	<u>5,545</u>
Total equity			

The notes on pages 9 to 22 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 14/12/18 and are signed on its behalf by:



Mr W Power
Director

Company Registration No. 04727708

REALPOWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital	Share premium account	Retained earnings	Total
	£000	£000	£000	£000
Balance at 1 April 2016	206	1,079	2,863	4,148
Year ended 31 March 2017:				
Profit and total comprehensive income for the year	-	-	1,397	1,397
Balance at 31 March 2017	206	1,079	4,260	5,545
Year ended 31 March 2018:				
Profit and total comprehensive income for the year	-	-	518	518
Balance at 31 March 2018	206	1,079	4,778	6,063

The notes on pages 9 to 22 form part of these financial statements.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Realpower Limited is a private company limited by shares incorporated in England and Wales. The registered number is 04727708 and the registered office is Enviro Building Private road, No 4 Colwick Industrial Estate, Nottingham, NG4 2JT.

The company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but make amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent, Enva Topco Limited, includes the company in its consolidated financial statements. The consolidated financial statements of Enva Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Enva Topco Limited, Brailwood Road, Bilsthorpe Industrial Estate, Bilsthorpe, Newark, Nottinghamshire NG22 8UA.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;

As the consolidated financial statements of Enva Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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

Where required, equivalent disclosures are given in the group accounts of Enva Topco Limited. The group accounts of Enva Topco Limited are available to the public and can be obtained as set out in note 21.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.2 Going concern

Notwithstanding net current liabilities of £2,463,000 as at 31 March 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the company's ultimate parent company, Enva Topco Limited not seeking repayment of the amounts currently due to the group, which at 31 March 2018 amounted to £3,454,000. Enva Topco Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

1.3 Investment properties

Investment properties are leased to other group companies and are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold land	0%
Freehold buildings	4% or 5% straight line
Land and buildings long leasehold	5% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.5 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.8 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.13 Leases

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.15 Interest receivable and interest payable

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.16 Other operating income

Other operating income represents management charges from Enva England Limited for the Directors' time and rents receivable from Enva England Limited for its occupation of land leased from third party landlords and land owned by Realpower Limited.

For management charges, revenue is recognised on a straight line basis each month, based on expected annual costs.

For rents receivable, revenue is recognised based on occupancy of the rental premises, over the period of the relevant rental agreements.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.17 Classification of financial instruments issued by the Company

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2 Other operating income

	2018	2017
	£000	£000
Management charges	1,284	933
Rents receivable	489	392
	<u>1,773</u>	<u>1,325</u>

3 Operating profit

	2018	2017
	£000	£000
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	5	4
Depreciation of investment property	<u>171</u>	<u>171</u>

4 Employees

The average monthly number of persons (excluding directors) employed by the company during the year was:

	2018	2017
	Number	Number
Employees	<u>4</u>	<u>2</u>

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

4 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £000	2017 £000
Wages and salaries	569	423
Social security costs	75	72
Pension costs	44	37
	<u>688</u>	<u>532</u>

5 Directors' remuneration

	2018 £000	2017 £000
Remuneration for qualifying services	265	326
Company pension contributions to defined contribution schemes	23	23
	<u>288</u>	<u>349</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	£000	£000
Remuneration for qualifying services	174	196
Company pension contributions to defined contribution schemes	17	14
	<u></u>	<u></u>

6 Income from shares in group undertakings

	2018 £000	2017 £000
Dividends received from subsidiaries	-	1,200
	<u></u>	<u></u>

7 Finance costs

	2018 £000	2017 £000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	19	128
	<u></u>	<u></u>

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

8 Income tax expense

	2018 £000	2017 £000
Current tax		
UK corporation tax on profits for the current period	161	93
Adjustments in respect of prior periods	-	(2)
Total UK current tax	<u>161</u>	<u>91</u>
Deferred tax		
Origination and reversal of temporary differences	-	1
Adjustment in respect of prior periods	-	7
	<u>-</u>	<u>8</u>
Total tax charge	<u>161</u>	<u>99</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2018 £000	2017 £000
Profit before taxation	<u>679</u>	<u>1,496</u>
Expected tax charge based on a corporation tax rate of 19% (2017: 20%)	129	299
Effect of expenses not deductible in determining taxable profit	32	35
Adjustment in respect of prior years	-	5
Non-taxable dividend income	-	(240)
Taxation charge for the year	<u>161</u>	<u>99</u>

Factors that may affect future tax charges

Reductions in the UK corporation tax charge from 19% to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 16 September 2016. This will reduce the company's future current tax charge accordingly and has been used in the calculation of the deferred tax liability at 31 March 2018.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

9 Investment property	2018
	£000
Cost	
At 1 April 2017 and 31 March 2018	4,783
Accumulated depreciation	
At 1 April 2017	1,547
Charge for the year	171
At 31 March 2018	1,718
Carrying value	
At 31 March 2018	3,065
At 31 March 2017	3,236

The net book amount of freehold land at 31 March 2018 and 31 March 2017 was £1,276,897.

The fair value of the investment properties is not disclosed as in the view of the Directors this cannot reasonably be estimated due to the specialist nature of the site; it is used by Enva England Limited as a multi-faceted waste recycling facility.

10 Investments	2018	2017
	£000	£000
Investments in subsidiaries	5,464	5,464
	5,464	5,464

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Investments

(Continued)

Movements in non-current investments

	Shares in group undertakings £000
Cost or valuation	
At 1 April 2017 & 31 March 2018	11,777
Impairment	
At 1 April 2017 & 31 March 2018	(6,313)
Carrying amount	
At 31 March 2017 and 31 March 2018	5,464

11 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Ownership interest (%)	Voting power held (%)	Nature of business
Envia England Limited (formerly Wastecycle Limited)	100	100	Waste collection and recycling
Wesley Waste Limited	100	100	Dormant
UK Recycling Limited	100	100	Dormant
UK Materials Limited	100	100	Dormant
Maxi Waste Limited (*)	100	100	Dormant
Toton Aggregates Limited (*)	100	100	Dormant
Tollerton Skip Hire Limited (*)	100	100	Dormant

(*) Denotes an indirect holding

The registered address of all subsidiaries is Enviro Building, Private Road No 4, Colwick Industrial Estate, Nottingham, Nottinghamshire, NG4 2JT.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

12 Trade and other receivables

	Current		Non-current	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other receivables	265	51	102	102
VAT recoverable	31	8	-	-
Amounts due from fellow group undertakings	544	672	-	-
	<u>840</u>	<u>731</u>	<u>102</u>	<u>102</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The other receivable falling due after more than one year is in relation to the deposit paid on Wesley Street following the lease agreement having been put into place. The lease required a deposit for 6 months rent. This deposit is not due to be returned to Realpower Limited before expiry of the lease in 2026.

Amounts due from fellow group undertakings are interest free and due on demand.

13 Trade and other payables

	Current	
	2018	2017
	£000	£000
Amounts due to fellow group undertakings	3,454	3,454
Accruals	66	440
Corporation tax	143	92
Social security and other taxation	26	26
	<u>3,689</u>	<u>4,012</u>

Amounts owed to group undertakings are unsecured with interest payable at 2.75% over Bank of England base rate and repayable on demand.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	£000
Deferred tax liability at 1 April 2016	-
Deferred tax asset at 1 April 2016	(5)
Deferred tax movements in prior year	
Credit to profit or loss	8
Deferred tax liability at 1 April 2017 and 31 March 2018	<u>3</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2018 £000	2017 £000
Deferred tax liabilities	<u>3</u>	<u>3</u>

15 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £44,000 (2017 - £37,000).

16 Share capital	2018 £000	2017 £000
Ordinary share capital		
<i>Issued and fully paid</i>		
206,233 Ordinary shares of £1 each	<u>206</u>	<u>206</u>

17 Share premium account

	2018 £000	2017 £000
At 1 April 2017 and 31 March 2018	<u>1,079</u>	<u>1,079</u>

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

18 Retained earnings

	2018 £000	2017 £000
At 1 April 2017	4,260	2,863
Profit for the year	518	1,397
At 31 March 2018	<u>4,778</u>	<u>4,260</u>

19 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2018 £000	2017 £000
Minimum lease payments under operating leases	<u>189</u>	<u>193</u>

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £000	2017 £000
Within one year	189	193
Between two and five years	758	771
In over five years	647	836
	<u>1,594</u>	<u>1,800</u>

20 Related party transactions

The company has taken advantage of the exemption under FRS 101 - Related Party Transactions, not to disclose transactions with other members of the Enva Topco Limited group.

REALPOWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

21 Controlling party

Ultimate controlling party

The immediate parent company is Enva UK Opco Limited, a company incorporated in England.

The directors consider that the company is controlled by Enva Topco Limited by virtue of its indirect holding of 100% of the issued share capital of Realpower Limited.

The largest and smallest group into which the results of the Company are included is that headed by Enva Topco Limited, a company incorporated in England.

The publicly available financial statements of Enva Topco Limited can be obtained from:

Enva Topco Limited
Brailwood Road
Bilsthorpe Industrial Estate
Bilsthorpe
Newark
Nottinghamshire
NG22 8UA