

PENNON POWER LIMITED
ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2015

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PENNON POWER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 March 2015

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PENNON POWER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their report and financial statements for the year ended 31 March 2015

PRINCIPAL ACTIVITY

The Company is the holding company for certain investments undertaken by Pennon Group Plc

BUSINESS REVIEW

The Company made a profit of £nil for the year ended 31 March 2015 (2014 £9) The Directors recommend that no dividend be paid in respect of the year ended 31 March 2015 (2014 nil)

The Directors are of the opinion the Company faces no risks or uncertainties as it derives its income from bank interest, the amount of which is not expected to be significant

DIRECTORS

The Directors who served on the Board during the year were

A R Hooper

K D Woodier

DIRECTORS' RESPONSIBILITIES STATEMENT

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 year Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union 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 accounting estimates that are reasonable and prudent,
- state whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

By Order of the Board



R C ZMUDA
Secretary

27/10/2015

PENNON POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2015

	Notes	2015 £	2014 £
Finance income	3	-	11
Profit before tax		-	11
Taxation charge	4	-	(2)
Profit for the year and total comprehensive income for the year attributable to shareholders' equity		-	9

All activities relate to continuing operations

The notes on pages 6 to 9 form part of these financial statements

PENNON POWER LIMITED

BALANCE SHEET as at 31 March 2015

	Note	2015 £	2014 £
Non-current assets			
Investment in subsidiary undertakings	6	6	6
Current assets			
Trade and other receivables	7	2,647,838	2,647,839
Cash and cash deposits		<u>1</u>	<u>-</u>
		<u>2,647,839</u>	<u>2,647,839</u>
Current liabilities			
Current tax liabilities		-	-
Net current assets		<u>2,647,839</u>	<u>2,647,839</u>
Net assets		<u>2,647,845</u>	<u>2,647,845</u>
Equity			
Share capital	8	100	100
Retained earnings	9	2,647,745	2,647,745
Total shareholders' equity		<u>2,647,845</u>	<u>2,647,845</u>

The notes on pages 6 to 9 form part of these financial statements

AUDIT EXEMPTION STATEMENT

For the year 31 March 2015, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies

DIRECTORS' RESPONSIBILITIES

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

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 on pages 2 to 9 were approved by the Board of Directors and authorised for issue on 27 October 2015 and were signed on its behalf by


A R HOOPER
Director

Registered Number 00736732

PENNON POWER LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2015

	2015 £	2014 £
Total comprehensive income for the year recorded in retained earnings	<u>-</u>	<u>9</u>
Shareholders' equity		
Net increase for year	-	9
At 1 April	<u>2,647,845</u>	<u>2,647,836</u>
At 31 March	<u>2,647,845</u>	<u>2,647,845</u>

All shareholders' funds are equity interests

The notes on pages 6 to 9 form part of these financial statements

PENNON POWER LIMITED**CASH FLOW STATEMENT**
for the year ended 31 March 2015

	2015 £	2014 £
Profit for the year	-	9
Adjustments for		
Finance income	-	(11)
Tax paid	-	2
Cash outflow generated from operating activities	-	-
Tax paid	-	(4)
Net cash outflow from operating activities	-	(4)
Cash flows from investing activities		
Interest received	1	11
Cash flows from financing activities		
Repayment of inter-company borrowing	-	(4,800)
Net proceeds from inter-company borrowing	-	(228)
Net increase/(decrease) in cash and cash deposits	1	(5,021)
Cash and cash deposits at beginning of the year	-	5,021
Cash and cash deposits at end of the year	1	-

The notes on pages 6 to 9 form part of these financial statements

PENNON POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Pennon Power Limited is a company registered in the United Kingdom under the Companies Act 2006. The address of the registered office is Peninsula House, Rydon Lane, Exeter, EX2 7HR. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 1.

2 Principal accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) **Basis of preparation**

These financial statements have been prepared on the historical cost accounting basis and in accordance with International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee as adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of the principal accounting policies is set out below, together with an explanation where changes have been made to previous policies on the adoption of new accounting standards and interpretations in the year.

The going concern basis has been adopted in preparing these financial statements.

New or revised standards or interpretations which were mandatory for the first time in the year beginning 1 April 2014 did not have a material impact on the net assets or results of the Company.

Other standards and interpretation in issue, but not yet effective, are not expected to have a material effect on the Company's net assets or results.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best assessment of the amounts, actual events or actions and results may ultimately differ from those estimates.

(b) **Administration costs**

Administration costs of the Company are paid by Pennon Group Plc.

(c) **Financial instruments**

The Company classifies its financial instruments in the following categories:

Borrowings

Borrowings do not carry any interest and are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables do not carry any interest receivable and are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due in accordance with the original terms of the receivables.

PENNON POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Principal accounting policies (continued)

(d) **Taxation including deferred tax**

Current tax is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date

Deferred taxation is provided in full on temporary differences between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent it is probable that future taxable profits will be available against which the assets can be realised

3 Finance income

	2015 £	2014 £
Bank interest receivable	<u>-</u>	<u>11</u>

4 Taxation

	2015 £	2014 £
Analysis of charge in year		
Current tax	<u>-</u>	<u>2</u>

Current tax is calculated at 21% (2014 23%) of the estimated assessable profit for the year

The tax for the year differs from the theoretical amount which would arise using the standard rate of corporation tax in the UK (21%) from

	2015 £	2014 £
Profit before tax	<u>-</u>	<u>11</u>
Profit before tax multiplied by the standard rate of UK corporation tax in the UK of 21% (2014 23%)	-	3
Effects of		
Tax charged at small companies rates	<u>-</u>	<u>(1)</u>
Tax charge for year	<u>-</u>	<u>2</u>

5 Employment costs

The Company has no employees (2014 none)

PENNON POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6 Investment in subsidiary undertakings

Subsidiary
undertakings
£

At 1 April 2013, 31 March 2014 and 31 March 2015

6

Details of the subsidiary undertakings are as follows

Acetip

The Company holds the entire issued share capital of Acetip, a dormant company registered in England

ELE Datasystems

The Company holds the entire issued share capital of ELE Datasystems, a dormant company registered in England

Exe Continental

The Company holds the entire issued share capital of Exe Continental, a holding company for selected overseas investments undertaken by Pennon Group Plc and registered in England

Peninsula

The Company holds the entire issued share capital of Peninsula, a dormant company registered in England

pHOX Systems Limited

The Company holds the entire issued share capital of pHOX Systems Limited, a dormant company registered in England

Rydon Properties Limited

The Company holds the entire issued share capital of Rydon Properties Limited, a dormant company registered in England

In the opinion of the Directors the total value of these investments is not less than the amount at which they are shown in the balance sheet

7 Trade and other receivables – current

	2015 £	2014 £
Amount owed by parent undertaking	228	228
Amounts owed by subsidiary undertakings	2,647,610	2,647,610
Bank interest	-	1
	<u>2,647,838</u>	<u>2,647,839</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value

PENNON POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8	<u>Share capital</u>	2015 £	2014 £
	Allotted, called-up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

9	<u>Retained earnings</u>	2015 £	2014 £
	At 1 April	2,647,745	2,647,736
	Total comprehensive income for the year	-	9
	At 31 March	<u>2,647,745</u>	<u>2,647,745</u>

10 Directors' emoluments

The Directors received no emoluments for their qualifying services to the Company in the year (2014 nil)

11 Ultimate parent undertaking and related party transactions

The immediate and ultimate parent company and controlling party is Pennon Group Plc which is registered in England. Group financial statements are included in the Annual Report of Pennon Group Plc which is available from Peninsula House, Rydon Lane, Exeter, EX2 7HR

There were no transactions with related parties in the year (2014 none)