

# Octopus Electrical Limited

## Directors' report and financial statements for the seventeen month period ended 31 December 2008

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# **Octopus Electrical Limited**

## **Directors' report and financial statements for the period ended 31 December 2008**

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# **Octopus Electrical Limited**

## **Company information**

### **Directors**

K Miles  
J Lynch-Williams  
S Stacey

### **Company number**

00830299

### **Registered office**

Windmill Hill Business Park  
Whitehill Way  
Swindon  
SN5 6PB

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Bankers**

Lloyds TSB Bank Plc  
PO Box 6000  
125 Colmore Row  
Birmingham  
B1 1RZ

# **Octopus Electrical Limited**

## **Directors' report for the period ended 31 December 2008**

The Directors present their report and the audited financial statements of the company for the seventeen month period ended 31 December 2008. The prior period accounts were prepared for the year ended 31 July 2007. The company's year end was changed to bring it into line with other group companies.

### **Principal activities and business review**

The principal activity of the company is that of electrical wiring and retained services to social housing market.

There have not been any significant changes in the company's principal activities in the period under review. The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next year.

On 26 November 2007, the company was acquired by Superior Plumbing Installations Holdings Limited.

The directors are pleased to report a profit before tax of £1,141,000 (2007: £399,000).

At 31 December 2008, the date of these financial statements, the company was ultimately owned by Superior Plumbing Installations Group Limited.

### **Post balance sheet events**

On 30 January 2009, the ultimate holding company, Superior Plumbing Installations Group Limited was acquired by RWE Npower Plc. There have been no other significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

### **Principal risks and uncertainties**

The company continues to face operational and financial risks which are managed by regular review and appraisal by both the Operational and Group Management Board.

The company operates in a competitive marketplace and must consistently deliver value for money to retain and grow its customer base. In order to manage this risk, the group provides good quality services and maintains strong relationships with its key customers.

The business is actively managing its cost base to ensure its services are supplied as efficiently as possible. The group has developed key supplier relationships in a number of areas to support this strategy.

The company does not sell products into international markets and is therefore not exposed to currency movements on such sales. Additionally all raw materials are sourced in the UK in sterling from UK merchants.

The company operates a defined contribution pension scheme.

During the period, the company was financed by its parent company, Superior Plumbing Installations Holdings Limited. Superior Plumbing Installations Holdings Limited is financed partly by bank loans which bear interest which varies with LIBOR. The Group is therefore exposed to adverse movements in interest rates. This risk is mitigated through the use of hedging instruments. 50% of the bank debt is subject to these hedging arrangements which cap LIBOR at 6.3%.

On 30 January 2009 the Group was acquired by RWE Npower Plc, at which point all of the bank debt was repaid and the company's operations were funded by borrowings from the RWE group.

# **Octopus Electrical Limited**

## **Directors' report for the period ended 31 December 2008 (continued)**

### **Key Performance Indicators**

The company has taken advantage of the small companies' exemption from disclosure of KPIs under section 234ZZB of the Companies Act. The company uses prime margins to monitor the performance of its contracts on a monthly basis. The company also utilises prime cost ratios to control and forecast contract performance. Prime costs comprise of materials, labour and subcontractor costs. Additionally the company monitors the number of jobs completed per shift in certain divisions as a measure of activity and performance.

### **Future development**

The implementation of our new management information and finance system is well underway, with a significant investment in costs and infrastructure being budgeted for the forthcoming year.

### **Environment**

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption. The Company has recently been accredited with ISO 14001, the Environmental Management Standard.

### **Dividends**

During the period, a cash dividend of £1,628,000 was paid, which represents a dividend of £4.73 per share (2007: £nil). The directors do not recommend the payment of a further dividend.

### **Political and charitable contributions**

The company made no political contributions during the year (2007:£nil). During the period the company made charitable donations totalling £nil (2007: £380)

### **Differences between market and balance sheet value of land**

In the opinion of the directors, the difference between the market value and balance sheet value of land is not significant.

### **Directors**

The directors who served during the period and to the date of this report are as follows:

D Lovegrove	(resigned 26 January 2009)
J Morris	(resigned 26 January 2009)
PJ Dillon	(appointed 18 June 2008 and resigned 30 January 2009)
NR Seddon	(resigned 30 April 2008)
M Cane	(appointed 15 August 2008 and resigned 30 January 2009)
SG Huxley	(resigned 30 January 2009)
K Miles	(appointed on 30 January 2009)
J Lynch-Williams	(appointed on 30 January 2009)
S Stacey	(appointed on 30 January 2009)

# **Octopus Electrical Limited**

## **Directors' report for the period ended 31 December 2008 (continued)**

### **Statement of directors' responsibilities in respect of the annual report and the financial statements**

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 the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

# **Octopus Electrical Limited**

## **Directors' report for the period ended 31 December 2008 (continued)**

### **Disclosure of information to auditors**

In the case of each director in office at the date the directors' report is approved, under Section 234ZA of the Companies Act, the following applies:

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

### **Auditors**

On 30 January 2009, a resolution was passed to appoint PricewaterhouseCoopers LLP as auditors to the company. They have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the board of directors on 16 November 2009 and signed on its behalf:



S Stacey  
Director

## **Independent auditors' report to the members of Octopus Electrical Limited**

We have audited the financial statements of Octopus Electrical Limited for the seventeen month period ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Company Information page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

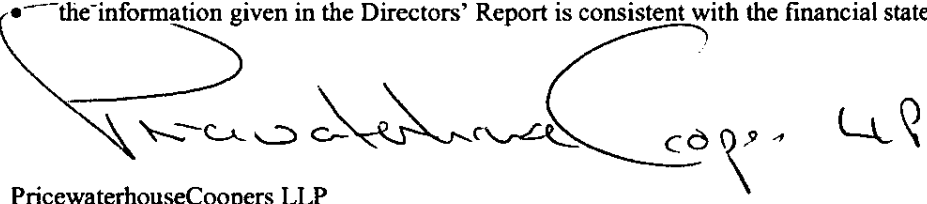


## **Independent auditors' report to the members of Octopus Electrical Limited (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham

23 November 2009

# Octopus Electrical Limited

## Profit and loss account for the period ended 31 December 2008

		17 month period ended 31 December 2008	Year ended 31 July 2007 (restated see note 1)
	Note	£'000	£'000
<b>Turnover</b>	1	<b>11,237</b>	9,819
Cost of sales		(8,376)	(6,245)
<b>Gross profit</b>		<b>2,861</b>	3,574
Administrative expenses		(1,777)	(3,267)
<b>Operating profit</b>		<b>1,084</b>	307
Profit/(loss) on disposal of fixed assets		3	(8)
Interest receivable and similar income	5	54	100
<b>Profit on ordinary activities before taxation</b>	2	<b>1,141</b>	399
Tax on profit on ordinary activities	6	(334)	(74)
<b>Profit for the financial period/year</b>	16	<b>807</b>	325

All amounts are derived from continuing operations.

There are no recognised gains or losses other than the profits for the current period or previous year, and therefore no separate statement of total recognised gains and losses has been prepared.

There is no material difference between the profit on ordinary activities before taxation and the profit for the period/year stated above and their historical cost equivalents.

# Octopus Electrical Limited

## Balance sheet as at 31 December 2008

		2008	31 July 2007 (restated see note 1)
	Note	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	8	426	452
Investments	9	-	400
		426	852
<b>Current assets</b>			
Stocks	10	412	384
Debtors	11	3,640	2,681
Cash at Bank		31	2,772
		4,083	5,837
<b>Creditors: amounts falling due within one year</b>	13	(1,242)	(2,601)
<b>Net current assets</b>		<b>2,841</b>	<b>3,236</b>
<b>Total assets less current liabilities</b>		<b>3,267</b>	<b>4,088</b>
<b>Net assets</b>		<b>3,267</b>	<b>4,088</b>
<b>Capital and reserves</b>			
Called up share capital	14	344	344
Revaluation reserve	15	51	53
Capital redemption reserve	15	86	86
Profit and loss reserve	15	2,786	3,605
<b>Total shareholders' funds</b>	16	<b>3,267</b>	<b>4,088</b>

The financial statements on pages 8 to 20 were approved by the Board of Directors 16 November 2009 and were signed on its behalf by:

  
S Stacey  
Director

# **Octopus Electrical Limited**

## **Notes to the financial statements for the period ended 31 December 2008**

### **1 Accounting policies**

#### **Basis of preparation**

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985, subsequent amendments and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are set out below.

The company is exempt from the requirement of Financial Reporting Standard Number 1 (revised 1996) to prepare a cash flow on the grounds that its ultimate parent undertaking, Superior Plumbing Installations Group Limited, includes the company in its own published consolidated financial statements.

#### **Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off the cost or valuation, less the estimated residual value, of tangible fixed assets over their estimated useful economic lives as follows:

Freehold Property	- 2% per annum straight line
Plant & Machinery	- 15% per annum reducing balance
Fixtures & Fittings	- 15% per annum reducing balance
Motor Vehicles	- 20% per annum straight line

No depreciation is provided on freehold land.

The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

#### **Post-retirement benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Stocks are determined using the first in, first out method of valuation.

#### **Taxation**

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. 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 recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

#### **Related party transactions**

As a wholly owned subsidiary of Superior Plumbing Installations Group Limited, the company is exempt from requirements of Financial Reporting Standard 8 to disclose transactions with other members of the group.

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 1 Accounting policies (continued)

#### Turnover

Turnover represents the value of goods and services, excluding Value Added Tax, arising from the Company's principal activity which is electrical wiring and retained services to social hosing market. The company recognises revenue on a completed activity basis. For contracting works, the company raises applications for payment to customers on the completion of work activities. For non contracting work, including repairs and maintenance works, the company raises invoices on the completion of work activity. Any work completed at the end of an accounting period that has not been applied for or invoiced is including within accrued income.

#### Prior year adjustments

The prior year accounts have been restated to reflect a change in the accounting treatment of accrued income. The company had previously included accrued income of £1,417,000 in stock and any movement in the year was included within cost of sales in the profit and loss account. Accrued income is now included within debtors and any movement in the year is included within turnover. There is no effect on the profit or loss nor in the net assets or net current assets as a result of this change in presentation.

Furthermore, the prior period financial statements did not reflect the annual transfers between the profit and loss reserve and the revaluation reserve that had been generated on the revaluation of land and buildings. This transfer has been corrected in these financial statements. The effect of this adjustment is £7,000, although there is no effect on the net assets or net current assets.

### 2 Profit on ordinary activities before taxation

	2008	2007
	£'000	£'000
<b>Profit on ordinary activities before taxation is stated after charging/(crediting)</b>		
Wages and salaries	1,450	2,584
Social security costs	149	216
Other pension costs	238	44
Depreciation of tangible fixed assets – owned assets	59	52
(Profit)/loss on disposal of fixed assets	(3)	8
<b>Services provided by the company's auditor</b>		
Fees payable for the audit	12	7

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 3 Staff numbers

The average number of persons (including executive directors) employed by the company during the year was as follows:

	2008	2007
	£'000	£'000
Operatives	20	20
Administration and management	14	14
Directors	2	4
Total	36	38

### 4 Remuneration of directors

	2008	2007
	£'000	£'000
Aggregate emoluments	199	1,782
Pension contribution to money purchase scheme	221	29
Total	420	1,811

Information regarding the highest paid director is as follows:

	2008	2007
	£'000	£'000
Aggregate emoluments	87	827
Pension contribution to money purchase scheme	58	6
	145	833

The number of directors to whom retirement benefits were accruing is as follows:

	2008	2007
	Number	Number
Money purchase scheme	2	5

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 5 Interest receivable and similar income

	2008	2007
	£'000	£'000
Bank interest	54	100

### 6 Tax on profit on ordinary activities

Analysis of charge for the period

	2008	2007
	£'000	£'000
<b>Current tax:</b>		
UK Corporation Tax	82	99
Group relief	268	-
Prior year adjustment	25	(22)
<b>Total current tax</b>	<b>375</b>	<b>77</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(14)	(3)
Adjustments in respect of prior periods	(29)	-
Impact of change in UK tax rate	2	-
<b>Total deferred tax</b>	<b>(41)</b>	<b>(3)</b>
<b>Tax on profit on ordinary activities</b>	<b>334</b>	<b>74</b>

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 6 Tax on profit on ordinary activities (continued)

#### Factors affecting the tax charge

The current tax charge for the year is higher (2007: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2008	2007
	£'000	£'000
<b>Profit on ordinary activities before tax</b>	<b>1,141</b>	<b>399</b>
Current tax at 28.9% (2007 – 30%).	330	120
Effects of:		
Expenses not deductible	7	-
Depreciation in excess of capital allowance	14	8
Marginal relief	(1)	(29)
Adjustments in respect of prior years	25	(22)
<b>Total current tax charge (see above)</b>	<b>375</b>	<b>77</b>

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for the accounting period are taxed at an effective rate of 28.9% and will be taxed at 28% in the future.

During the prior year, the 2007 Finance Bill was enacted. As a result of the reduction in UK Corporation Tax rate from 30% to 28%, effective from 1 April 2008, and changes to the industrial building regime, deferred tax balances were re-measured.

### 7 Dividends

	2008	2007
	£'000	£'000
Ordinary dividends paid	1,628	-

During the year an ordinary dividend of £4.73 per share was declared and paid.



# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 8 Tangible fixed assets

	Land and buildings	Plant and machinery	Fixture and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2007	390	5	49	233	677
Additions	-	-	2	51	53
Disposals	-	-	-	(66)	(66)
<b>At 31 December 2008</b>	<b>390</b>	<b>5</b>	<b>51</b>	<b>218</b>	<b>664</b>
<b>Accumulated depreciation</b>					
At 1 August 2007	41	3	20	160	224
Charge for the year	8	-	6	45	59
Disposals	-	-	-	(45)	(45)
<b>At 31 December 2008</b>	<b>49</b>	<b>3</b>	<b>26</b>	<b>160</b>	<b>238</b>
<b>Net Book Value</b>					
<b>At 31 December 2008</b>	<b>341</b>	<b>2</b>	<b>25</b>	<b>58</b>	<b>426</b>
At 31 July 2007	349	2	29	73	453

Included in cost or valuation of land and building is freehold land of £130,018 (2007: £130,018) which is not depreciated.

#### Analysis of land and buildings:

	2008	2007
	£'000	£'000
Cost	330	330
Revaluation in 1999	23	23
Revaluation in 2003	37	37
<b>At valuation</b>	<b>390</b>	<b>390</b>

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 8 Tangible fixed assets (continued)

If freehold land and buildings had not been revalued they would have been included at the following amounts:

	2008	2007
	£'000	£'000
Cost	330	330
Aggregated depreciation	44	38
Value of land in land and buildings	92	92

Freehold land and building were valued on an open market basis on 30 October 2003 by Towler Shaw Roberts, Chartered Surveyors.

### 9 Investments

	£'000
<b>Cost and net book value</b>	
At 1 August 2007	400
Disposals	(400)
<b>At 31 December 2008</b>	-

The investment comprises 900,900 ordinary shares of 10p each in Hotelier Group plc, an unlisted company in the UK. The shares were held by Aston Nominees 2 Limited in trust for the Company. The investments were disposed of during the period at cost.

### 10 Stocks

	2008	2007 (restated see note 1)
	£'000	£'000
Raw materials and consumables	412	384

The prior year figure for stocks was disclosed as £1,801,000, which included £1,417,000 for accrued income, completed work including an element of profit. Accrued income is now included within prepayments and accrued income.

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 11 Debtors

	2008	2007 (restated see note 1)
	£'000	£'000
Trade debtors	488	1,221
Amounts owed by group undertakings	1,895	-
Other debtors	13	1
Prepayments and accrued income	1,203	1,459
Deferred taxation	41	-
	3,640	2,681

The prior year figure for prepayments and accrued income was disclosed as £42,000, which excluded £1,417,000 for completed work. Accrued income is now included within prepayments and accrued income rather than stocks.

### 12 Deferred taxation

	2008	2007
	£'000	£'000
At beginning of period/year	-	-
Credited to profit and loss account	14	-
Adjustments in respect of prior periods	29	-
Impact of change in UK tax rate	(2)	-
At end of period/year	41	-

The elements of deferred taxation are as follows:

	2008	2007
	£'000	£'000
Difference between accumulated depreciation and capital allowances	16	-
Other timing differences	25	-
Deferred tax asset	41	-

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

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

	2008	2007
	£'000	£'000
Bank overdraft	-	136
Trade creditors	740	320
Corporation tax	110	99
Group relief payable	266	-
Social security and other taxes	102	322
Other creditors	-	4
Accruals and deferred income	24	1,720
	1,242	2,601

Bank overdraft and other facilities are secured by a legal charge over the company's freehold property situated at Plot 3, Harlescott Lane Industrial Estate, Shrewsbury, Shropshire.

### 14 Called up share capital

	2008	2007
	£'000	£'000
<b>Authorised</b>		
1,000,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
344,000 ordinary shares of £1 each	344	344

# Octopus Electrical Limited

## Notes to the financial statements for the period ended 31 December 2008

### 15 Reserves

	Revaluation reserve	Capital redemption reserve	Profit and loss reserve	Total reserves
	£'000	£'000	£'000	£'000
At 1 August 2007 as original stated	60	86	3,598	3,744
Prior year adjustment (see note 1)	(7)	-	7	-
At 1 August 2007 as restated	53	86	3,605	3,744
Profit for the financial period	-	-	807	807
Transfer	(2)	-	2	-
Dividends paid	-	-	(1,628)	(1,628)
<b>At 31 December 2008</b>	<b>51</b>	<b>86</b>	<b>2,786</b>	<b>2,923</b>

### 16 Reconciliation of movement in shareholders' funds

	2008	2007
	£'000	£'000
Profit for the financial period/year	807	325
Dividends paid	(1,628)	-
Net (reduction) in /addition to shareholders' funds	(821)	325
Opening shareholders' funds	4,088	3,763
Closing shareholders' funds	3,267	4,088

### 17 Capital commitments

There were no capital commitments at 31 December 2008 (2007: £nil).

In the normal course of business the company enters into performance bonds with certain of its customers. As at 31 December 2008, the total value of these bonds amounted to £248,000 (2007: £229,000).

The company is subject to certain cross guarantees relating to finance arrangements held by other group companies. The total amount due under these arrangements is £32,803,000 (2007: £nil).

# **Octopus Electrical Limited**

## **Notes to the financial statements for the period ended 31 December 2008**

### **17 Capital commitments (continued)**

On 30 January 2009 the Group was acquired by RWE Npower Plc, at which point all of the bank debt was repaid and the company's operations were funded by borrowings from the RWE group. As a result, the value of the cross guarantees at the date of signing these accounts is nil.

### **18 Pensions and similar obligations**

The company operates defined contribution schemes. The contributions are invested in separately identifiable funds and contributions payable to the schemes are charged to the profit and loss account as they are incurred. The company contribution £238,000 (2007:£44,000) to the defined contribution schemes during the year.

There were no outstanding contributions at the year end (2007: £nil).

### **19 Ultimate parent undertaking and controlling party**

As at 31 December 2008, the company's immediate parent was Superior Plumbing Installations Holdings Limited. The ultimate parent undertaking at that time was Superior Plumbing Installations Group Limited, which is the largest group to consolidate these financial statements. Copies of these financial statements are available from Companies House. All of these companies are incorporated in Great Britain.

Following the acquisition of the company on 30 January 2009 by RWE Npower plc, the company's immediate parent is now NPower Northern Limited, a company incorporated in Great Britain, and the ultimate parent undertaking and controlling party is RWE AG, a company incorporated in Germany. Copies of RWE AG consolidated financial statements can be obtained from RWE AG, Opernplatz 1, 45128 Essen, Germany.