

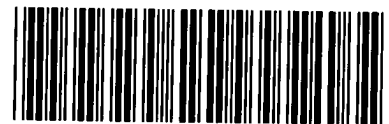
Registration number: 00893718

# **Npower Business and Social Housing Limited**

Annual Report and Financial Statements

for the Year Ended 31 December 2020

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## **Npower Business and Social Housing Limited**

### **Contents**

	<b>Page(s)</b>
Strategic Report for the year ended 31 December 2020	1
Directors' Report for the year ended 31 December 2020	2 - 4
Independent auditors' report to the members of Npower Business and Social Housing Limited	5 - 8
Profit and Loss Account for the year ended 31 December 2020	9
Balance Sheet as at 31 December 2020	10
Statement of Changes in Equity for the year ended 31 December 2020	11 - 12
Notes to the Financial Statements for the year ended 31 December 2020	13 - 20

## **Npower Business and Social Housing Limited**

### **Strategic Report for the year ended 31 December 2020**

The directors present their Strategic Report on Npower Business and Social Housing Limited ("the Company") for the year ended 31 December 2020.

#### **Business review and future developments**

The Company made the decision to cease trading in 2016. The Company is in the process of being wound up and will be dissolved in due course. The Company reports an operating profit of £222k in 2020 (2019: loss £20k).

#### **Position of the business**

The Company's profit for the financial year ended 31 December 2020 was £222k (2019: loss £75k). The net assets of the Company at 31 December 2020 were £4,267k (2019: £4,045k).

#### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. These risks are not managed on a legal entity basis, but overseen for the npower Retail Group, of which this Company belongs, as part of the enterprise risk management process of E.ON UK. The npower Retail Group continues to invest in a formal, regular risk assessment process to identify, monitor and mitigate as far as possible any risk that should arise. Risks specific to npower Retail Group are reviewed by the Chief Financial Officer of npower, prior to formal review by the E.ON UK Risk Committee; this takes place on a quarterly basis and actions are taken as appropriate.


The key business risk affecting the npower Retail Group is the competitive retail market which could impact the Company's ability to achieve its targets for customer numbers and/or gross margin per customer. The main external uncertainties faced are: the impact of energy efficiency initiatives, the strength of the economy and weather impacts on customer consumption; volatility in wholesale energy prices; and the level of network and environmental charges. Furthermore, the Company has a number of operational risks as part of its end-to-end processes. The Covid-19 pandemic increases the risks to the Company as set out above, and additionally increases the risks related to customers' ability to pay. Detailed discussions of these risks and opportunities, in the context of the E.ON SE Group as a whole are provided on pages 57 through 64 of the E.ON SE 2020 Annual Report, which is available in the investor relations section of the [eon.com](http://eon.com) website.

In line with the requirements of the German Corporate Control and Transparency Act (KonTraG), the Company's enterprise risk management system enables the directors to identify risks at an early stage and initiate mitigating action where necessary.

#### **Key performance indicators (KPIs)**

The Company does not have any trading operations or activity. For this reason, the Company's directors do not set KPIs for this entity.

Approved by the Board on 2 July 2021 and signed on its behalf by:

  
.....  
Mr S Stacey  
Director

## **Npower Business and Social Housing Limited**

### **Directors' Report for the year ended 31 December 2020**

The directors present their report on the Company and the audited financial statements for the year ended 31 December 2020.

#### **Principal activities and going concern**

The Company's operational activities ceased during 2016 and the Company is in the process of being wound up. Accordingly, the going concern basis of accounting is not appropriate and the financial statements have been prepared on a basis other than going concern. No further adjustments were necessary in these financial statements to reduce assets to their net realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets as current assets.

#### **Dividends**

The directors do not recommend the payment of a dividend (2019: £nil).

#### **Directors of the Company**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Mr J McCarthy (resigned 31 January 2020)

Mr T Yeoman (resigned 31 December 2020)

Mr S Stacey (appointed 1 February 2020)

The following directors were appointed after the year end:

Mrs N Handley (appointed 1 January 2021 and resigned 28 May 2021)

Mr J Scagell (appointed 29 May 2021)

#### **Directors' indemnity**

The directors have the benefit of the indemnity provision contained in the Company's Articles of Association. This provision was in force throughout the last financial year and is currently in force. This provision is a qualifying third party indemnity provision under section 234 of the Companies Act 2006. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

#### **Future developments**

Future developments of the Company are found in the Strategic Report on page 1. The Company ceased trading in 2016 and is in the process of being wound up.

#### **Equal opportunities and diversity**

The npower Retail Group is committed to equal opportunity and diversity because of a sense of social responsibility and also because it makes sound business sense to tap into the wide-ranging knowledge and experience of individuals in all sectors of society. Through its commitment to valuing the talents of its employees, the npower Retail Group aims to ensure that it is able to compete in attracting and retaining high calibre employees with wide-ranging experience and is therefore able to respond positively and flexibly to change. Decisions to appoint, reward, train, develop and promote are taken based on skills and abilities, or demonstrated potential, merit and the requirements of the job. Employment decisions affecting both job applicants and employees with disabilities are made following any reasonable adjustments that may be necessary to ensure fair treatment. In addition, appropriate arrangements are made for training, career development and promotion of disabled persons employed by the npower Retail Group. If members of staff become disabled the npower Retail Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

## **Npower Business and Social Housing Limited**

### **Directors' Report for the year ended 31 December 2020 (continued)**

#### **Financial risk management**

##### ***Capital management***

The Company's objectives, policies and processes for managing capital are consistent with those of the E.ON SE Group. Detailed discussions of these, in the context of the E.ON SE Group as a whole, are provided on page 57 to 64 of the E.ON SE 2020 Annual Report.

##### ***Credit risk***

The npower Retail Group of companies has a policy of requiring appropriate credit checks on customers prior to establishing credit terms and payment method. Credit insurance and security deposits are arranged depending upon a combination of the credit rating and the projected annual spend. For all new customers with an annual spend in excess of predetermined limits, commodity risk control are required to sign off the account prior to acceptance.

Cash at bank and in hand comprises cash in hand and deposits which are readily convertible to cash and are subject to insignificant risk of change in value or credit risk.

##### ***Liquidity risk***

The Company forms part of the Npower Group Limited treasury arrangements, which actively manages a mixture of finance to ensure that the group has sufficient liquid resources to manage its current and future operational requirements.

##### ***Interest rate cash flow risk***

Cash at bank and in hand comprises cash in hand and deposits which are readily convertible to cash and are subject to insignificant risk of change in value or interest rate cash flow risk.

##### ***General risk management***

As a subsidiary of innogy SE, the Company complies with the Risk Management Directive of innogy SE, which embodies the relevant provisions of the German Law on Corporate Control and Transparency (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich), together with the German Stock Corporation Act (Aktiengesetz) and the German Commercial Code (Handelsgesetzbuch). Compliance is achieved within the Company through the application of a tri-partite system of three separate but supportive elements, namely a risk controlling/early warning system, an internal control system and an internal audit process.

#### **Streamlined Energy and Carbon Reporting (SECR) for the year ended 31st December 2020**

The Company has no specific contractual emissions or energy usage to report and qualifies for the low energy user exemption. Operational control of the assets and activities giving rise to energy use and greenhouse gas emissions rests with other Npower Group Limited companies, consequently SECR disclosure information is reported via their statutory accounts.

- Npower Limited
- Npower Northern Limited
- Npower Yorkshire Limited

**Npower Business and Social Housing Limited**  
**Directors' Report for the year ended 31 December 2020 (continued)**

**Statement of director's responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

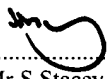
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Director's confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as they are aware, there is no relevant information that they know of and of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 2 July 2021 and signed on its behalf by:

  
.....  
Mr S Stacey  
Director

**Npower Business and Social Housing Limited**  
**Independent auditors' report to the members of Npower Business and Social Housing Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion, Npower Business and Social Housing Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss Account and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

**Npower Business and Social Housing Limited**  
**Independent auditors' report to the members of Npower Business and Social Housing Limited (continued)**

**Report on the audit of the financial statements (continued)**

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

**Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

**Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**Npower Business and Social Housing Limited**  
**Independent auditors' report to the members of Npower Business and Social Housing Limited (continued)**

**Report on the audit of the financial statements (continued)**

**Responsibilities for the financial statements and the audit (continued)**

**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with industry regulations, employment legislation and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of unusual journals to revenue or the manipulation of accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the internal controls around accounting estimates;
- Reviewing accounting estimates for any indicators of management bias by validating supporting evidence and challenging and testing the assumptions that are made;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Review of legal expense accounts, board minutes and internal documentation alongside discussions with the heads of the legal and regulation within the business; and
- Substantive testing of manual journal entries, in particular any journals posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Npower Business and Social Housing Limited**  
**Independent auditors' report to the members of Npower Business and Social Housing Limited (continued)**

**Report on the audit of the financial statements (continued)**

**Responsibilities for the financial statements and the audit (continued)**

**Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

2 July 2021

**Npower Business and Social Housing Limited**  
**Profit and Loss Account for the year ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Turnover	4	-	-
Administrative income/(expenses)		<u>222</u>	<u>(20)</u>
Operating profit/(loss)		<u>222</u>	<u>(20)</u>
Profit/(loss) before taxation		<u>222</u>	<u>(20)</u>
Tax on profit/(loss)	7	<u>-</u>	<u>(55)</u>
Profit/(loss) for the financial year		<u><u>222</u></u>	<u><u>(75)</u></u>

The above results were derived from discontinued operations.

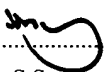
There are no further items which would be included in other comprehensive income so no separate statement of comprehensive income has been prepared.

The notes on pages 13 to 20 form an integral part of these financial statements.

**Npower Business and Social Housing Limited**  
**Balance Sheet as at 31 December 2020**

	Note	2020 £ 000	2019 £ 000
<b>Current assets</b>			
Cash at bank and in hand		4,267	4,267
Provisions for liabilities	8	-	(222)
<b>Net assets</b>		<u>4,267</u>	<u>4,045</u>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account		<u>4,267</u>	<u>4,045</u>
<b>Total shareholders' funds</b>		<u>4,267</u>	<u>4,045</u>

The financial statements on pages 8 to 20 were approved by the Board on 2 July 2021 and signed on its behalf by:

  
 .....  
 Mr S Stacey

Director

Npower Business and Social Housing Limited registered company number: 00893718

The notes on pages 13 to 20 form an integral part of these financial statements.

**Npower Business and Social Housing Limited**  
**Statement of Changes in Equity for the year ended 31 December 2020**

	<b>Called up Share capital £ 000</b>	<b>Share premium account £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total shareholders' funds £ 000</b>
At 1 January 2020	-	-	-	4,045	4,045
Profit for the financial year	-	-	-	222	222
Total comprehensive income for the year	-	-	-	222	222
At 31 December 2020	-	-	-	4,267	4,267
	<b>Called up Share capital £ 000</b>	<b>Share premium account £ 000</b>	<b>Capital redemption reserve £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total shareholders' funds £ 000</b>
At 1 January 2019	33	102	20	3,965	4,120
Loss for the financial year	-	-	-	(75)	(75)
Total comprehensive expense for the year	-	-	-	(75)	(75)
Share capital reduction	(33)	-	-	33	-
Preference share capital reduction	-	(102)	-	102	-
Capital redemption reserve reduction	-	-	(20)	20	-
At 31 December 2019	-	-	-	4,045	4,045

The notes on pages 13 to 20 form an integral part of these financial statements.

**Npower Business and Social Housing Limited**  
**Statement of Changes in Equity for the year ended 31 December 2020 (continued)**

Called up share capital consists of funds raised by the Company issuing shares in return for cash or other consideration.

Share premium account represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Capital redemption reserve is a statutory non-distributable reserve which is created following the redemption or purchase of the Company's own shares.

Profit and loss account represents the accumulated profits of the Company.

During 2019, the Company passed a special resolution to reduce its share capital, share premium and capital redemption reserve accounts as disclosed in note 9.

The notes on pages 13 to 20 form an integral part of these financial statements.

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020**

**1 General information**

The Company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire  
SN5 6PB  
United Kingdom

The principal activities of the Company ceased during 2016 and the Company is in the process of being wound up.

**2 Accounting policies**

**Summary of significant accounting policies**

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

**Basis of preparation**

These financial statements were prepared in accordance to with Financial Reporting Standard 101 'Reduced Disclosure Framework'. These financial statements were prepared under the historical cost convention and in accordance with Companies Act 2006.

The Company's trading activities ceased during 2016 and the Company is in the process of being wound up. Accordingly, the going concern basis of accounting is not appropriate and so the financial statements have been prepared on a basis other than going concern. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to reclassify fixed assets and long-term liabilities as current assets and liabilities.

The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 31 December 2019 on a basis other than going concern.

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**2 Accounting policies (continued)**

**Summary of disclosure exemptions**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101 Reduced Disclosure Framework:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment'.
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
- Paragraph 33(c) of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations).
- IFRS 7 (Financial Instruments: Disclosures).
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.
- Paragraph 38 of IAS 1 (Presentation of Financial Statements) to present comparative information in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1 (Presentation of Financial Statements)
  - (ii) paragraph 73(e) of IAS 16 (Property, Plant and Equipment)
  - (iii) paragraph 118(e) of (IAS 38 Intangible Assets)
- The following paragraphs of IAS 1 (Presentation of Financial Statements):
  - (i) 10(d)
  - (ii) 10(f)
  - (iii) 16
  - (iv) 38A
  - (v) 38B-D
  - (vi) 40A-D
  - (vii) 111
  - (viii) 134-136
- IAS 7 (Statement of Cash Flows)
- Paragraphs 30 and 31 of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors)
- Paragraphs 17 and 18A of IAS 24 (Related Party Disclosures)
- The requirements in IAS 24 (Related Party Disclosures) to disclose related party transactions entered into between two or more members of a group.



**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**2 Accounting policies (continued)**

**Summary of disclosure exemptions (continued)**

- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 (Impairment of Assets).

Where required, equivalent disclosures are given in the consolidated financial statements of E.ON SE. The consolidated financial statements of E.ON SE are available to the public and can be obtained as set out in note 11.

**Going concern**

The Company's operational activities ceased during 2016 and the Company is in the process of being wound up. Accordingly, the going concern basis of accounting is not appropriate and the financial statements have been prepared on a basis other than going concern. No further adjustments were necessary in these financial statements to reduce assets to their net realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets as current assets.

**New standards, amendments and IFRS IC interpretations**

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 have had a material impact on the company.

**Interest**

Interest receivable and payable is credited or charged to the Profit and Loss Account on an accrual basis.

**Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and call deposits which are readily convertible to cash and are subject to an insignificant risk of changes in value.

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**2 Accounting policies (continued)**

**Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**3 Critical accounting judgements and key sources of estimation uncertainty**

**Basis of preparation - judgement**

The Company's operational activities ceased during 2016 and the Company is in the process of being wound up. Accordingly, the going concern basis of accounting is no longer appropriate and so the financial statements have been prepared on a basis other than going concern.

**Valuation of provisions - estimation uncertainty**

Provisions for warranty claims are recognised where the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no other critical accounting judgements or key sources of estimation uncertainty.

**4 Turnover**

Prior to ceasing operational activities in 2016, the company operated in one class of business, the supply of mechanical and electrical installation services together with routine maintenance of Social Housing and Public Buildings, and in one geographical segment, the United Kingdom. In line with the cessation of operational activities in 2016, turnover for financial year 2020 was £nil (2019: £nil).

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**5 Directors' remuneration**

The directors of Npower Business and Social Housing Limited received no remuneration (2019: £nil) from the Company. The directors were remunerated for their service to Npower Business and Social Housing Limited by other group companies and it is not possible to allocate their emoluments to Npower Business and Social Housing Limited as the Company is not managed on a legal entity basis.

None of the directors was a member of the Company's defined contribution schemes in the year (2019: one). Four directors were members of defined benefit schemes (2019: two).

During the year no directors (2019: no directors) exercised share options in E.ON SE, the ultimate parent company. None (2019: none) of the directors received or became entitled to receive aggregate cash payments in E.ON SE under long-term incentive schemes in the financial year. The highest paid director received £nil (2019: £nil) under long-term incentive schemes.

Further details of the nature and the extent of share based payment arrangements have been disclosed in full within the financial statements of Npower Group Limited. The directors do not consider it necessary to provide separate disclosure within the Npower Business and Social Housing Limited financial statements as the amount is not material.

**6 Auditors' remuneration**

The audit fee for the Company was borne by Npower Limited, another group company, and not recharged. No fees were paid to the auditors for non audit services.

**7 Tax on loss**

Tax charge in the profit and loss account:

	2020 £ 000	2019 £ 000
<b>Current tax</b>		
Group relief payable	-	(9)
<b>Deferred tax</b>		
Current year charge	-	64
Total tax charge for the year	-	55

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**7 Tax on loss (continued)**

The tax charge on loss for the year is higher than the standard rate of corporation tax in the UK (2019: higher than the standard rate of corporation tax in the UK) of 19% (2019: 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit/(loss) before taxation	222	(20)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	42	(4)
Adjustment to tax charge in respect of prior periods	-	(9)
Expenses not deductible for tax purposes	-	-
Deferred tax expense from unrecognised tax loss or credit	-	64
Deferred tax (credit)/expense from unrecognised temporary difference from a prior period	(42)	8
Deferred tax credit relating to changes in tax rates or laws	-	(4)
Total tax charge for the year	-	55

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

At the reporting date, Npower Business and Social Housing has unused tax losses of £72,363 (2019: £20,307) available for offset against future profits, which may be carried forward indefinitely. Npower Business and Social Housing Limited also had gross unrecognised temporary differences of £nil (2019: £222,000). No deferred tax asset has been recognised in respect of the full amount as it is not considered probable that there will be future taxable profits available.

**8 Provisions for liabilities**

	Warranties £ 000	Total £ 000
At 1 January 2020	222	222
Unused provision reversed	(222)	(222)
At 31 December 2020	-	-

The warranty provision covered the costs of remedial work, the residual balance was released in the year.

**Npower Business and Social Housing Limited**  
**Notes to the Financial Statements for the year ended 31 December 2020 (continued)**

**9 Called up share capital**

**Allotted, called up and fully paid shares**

	<b>2020</b>		<b>2019</b>	
	<b>No.</b>		<b>No.</b>	
	<b>000</b>	<b>£ 000</b>	<b>000</b>	<b>£ 000</b>
Ordinary shares of £1 each	-	-	-	-

On the 2nd January 2019 the Company passed a special resolution to reduce the share capital of the Company. The share capital was reduced by £32,924 comprising 32,924 shares.

The Company had 1 ordinary share issued at the balance sheet date at a nominal value of £1.

**10 Contingent liabilities**

Previously, the Company held a warranty provision for remedial work on completed projects. However, there have been no claims to date nor any expected against the Company and it is therefore not possible to make a reliable estimate for the amount of the obligation. The directors have therefore chosen to release the provision and record a contingent liability.

**11 Controlling parties**

The Company is controlled by Npower Northern Limited (the immediate parent), a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate parent company and controlling party is E.ON SE, a company incorporated in Germany, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of E.ON SE consolidated financial statements can be obtained from E.ON SE, Brüsseler Platz 1, 45131 Essen, Germany.