

Plus Shipping Services Limited
Directors' report and financial statements
for the year ended 31 December 2007

Registered number 04508350



Plus Shipping Services Limited

Directors' report and financial statements for the year ended 31 December 2007

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Plus Shipping Services Limited

Directors' report for the year ended 31 December 2007

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2007

Principal activities

The principal activity of the company is the shipment of gas to another group company for the onward sale of gas to domestic customers

Business review

The external commercial environment in which the company operates is expected to remain competitive in 2008. Whilst the directors recognise that the company operates in a competitive industry, the directors remain confident that the company will maintain the level of performance in the future.

Key performance indicators

The Directors of Plus Shipping Services Limited manage the group's operations on a divisional basis as part of the retail business within the RWE npower group. Management monitor the business performance and measure it against strategic objectives using key performance indicators on a divisional basis. The key performance indicators of the division include comparison of gross margin, EBITA, operating costs, and cash flow against budgets and quarterly re-forecasts. For this reason the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Plus Shipping Services Limited.

Results and dividends

The results for the Company are set out in detail on page 6. The directors do not recommend the payment of a final dividend (2006: £nil).

Directors and their interests

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

A Duff	
K Miles	Appointed 2 January 2007
C Johnson	Appointed 1 October 2007
D Threlfall	Resigned 14 February 2008

According to the register required to be kept under section 325 of the Companies Act 1985, none of the Directors of the Company at 31 December 2007 held any interest in shareholdings, share options or debentures of group companies incorporated in the United Kingdom. As permitted by statutory instrument, the register does not include shareholdings of Directors in companies incorporated outside Great Britain.

Political and charitable contributions

The Company made no political or charitable contributions during the year.

Plus Shipping Services Limited

Directors' report

for the year ended 31 December 2007 (continued)

Health and safety

The Company regards the health and safety of its employees as an essential integrated feature of our operations. We have published an overall policy and guidelines and procedures appropriate to each of our workplaces have been issued to managers.

Employees

The energy, innovation and creativity of our staff add value to our businesses.

The Company is committed to the development of all staff in the organisation in order to leverage our intellectual capital. Staff are encouraged to maintain personal development plans and the company provides financial support to employees to pursue training opportunities.

The major changes within the Npower retail division mean that effective communications with staff are vital. Corporate publications and other media, including distribution of key development messages and team briefings, are used to promote wide understanding of policies and strategy. We also utilise the latest technology to aid rapid communication with staff around the world through use of a comprehensive Company Intranet.

Equal opportunities and diversity

The Company 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 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 will be made following any reasonable adjustments that may be necessary to ensure fair treatment.

The Group is a member of the Employers' Forum on Disability, Opportunity Now and the Employers' Forum on Age and is committed to the aims of these organisations.

Creditor payment policy

Plus Shipping Services Limited recognises the need to observe the highest standards of business practice in its role as buyer and seller. Its intermediate parent company, RWE Npower Holdings plc, subscribes to the CBI's Prompt Payment Code and has formally adopted British Standard 7890 Methods for Achieving Good Payment Performance in Commercial Transactions and this is an achievement and a standard that Plus Shipping Services Limited is seeking to emulate. Plus Shipping Services Limited's average number of days outstanding in respect of trade creditors calculated in accordance with the Companies Act, at 31 December 2007 was 46 days (2006: 195 days).

Plus Shipping Services Limited

Directors' report for the year ended 31 December 2007 (continued)

Financial risk management

Credit Risk

The npower retail group of companies has a policy of requiring appropriate credit checks on commercial 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.

Liquidity Risk

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

Commodity Price risk

The company is exposed to commodity price risk as a result of its operations. The risk is actively managed through the application of appropriate techniques and methodologies in accordance with the Commodity Risk Controlling Directive of the company's ultimate parent RWE AG. These techniques and methodologies include the application of appropriate hedge policies, the measurement of commodity risks, the setting of approved transaction limits (together with the monitoring of compliance with the approved limits), the reporting of unhedged positions and the conduct of scenario analyses and stress tests.

The Directive and its application within the company is kept under constant review to reflect changes in market and company dynamics, together with the nature of products offered to the market.

Securities Price Risk

The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

General Risk Management

As a subsidiary of RWE AG, the Company complies with the Risk Management Directive of RWE AG, 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.

Plus Shipping Services Limited

Directors' report for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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,
- 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under Section of 234ZA of the Companies Act, the following applies

- c) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- d) 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

Pursuant to Section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP will continue to act as auditors of the company.

Pursuant to Section 366A of the Companies Act 1985 the Company has dispensed with the obligation to hold an annual general meeting and pursuant to Section 379A the Company has dispensed with the requirement to lay accounts before a general meeting.

By order of the board



Chris Johnson

Director

18 September 2008

Independent auditors' report to the members of Plus Shipping Services Limited

We have audited the financial statements of Plus Shipping Services Limited for the year ended 31 December 2007 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 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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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.

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 2007 and of its profit for the year 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

18th September 2008

Plus Shipping Services Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Turnover	1	67,537	48,865
Cost of sales		(64,239)	(46,539)
Gross profit		3,298	2,326
Administrative expenses		(5)	(255)
Operating profit	2	3,293	2,071
Interest receivable and similar income	3	140	39
Interest payable and similar charges	4	(850)	(51)
Profit on ordinary activities before taxation		2,583	2,059
Tax charge on profit on ordinary activities	6	(775)	(618)
Profit for the financial year	10	1,808	1,441

All amounts are derived from continuing operations

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

There are no recognised gains or losses other than the profit for the year as shown above

Plus Shipping Services Limited

Balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
Current assets			
Debtors	7	28,299	25,065
Cash at bank and in hand		-	-
		28,299	25,065
Creditors, amounts falling due within one year	8	(25,040)	(23,614)
Net current assets		3,259	1,451
Net assets		3,259	1,451
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	3,259	1,451
Total shareholders' funds	11	3,259	1,451

The financial statements on pages 6 to 12 were approved by the Board of directors 18 September 2008 and were signed on its behalf by



Chris Johnson
Director

Plus Shipping Services Limited

Notes to the financial statements for the period ended 31 December 2007

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, are set out below

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below

Under FRS 1(revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of RWE AG, within which this company is included, can be obtained from the address given in note 12

Turnover

Turnover is recognised at the date of supply of services to customers, and comprises the value of sales of goods and services, excluding VAT and other indirect taxes in the normal course of business. The Company operates in one class of business being the supply of gas, and in one geographical segment, the United Kingdom

Accounting estimations

In accounting for revenues and direct costs for energy, the company employs a forecasting process using forecast models to calculate the energy accruals required at the accounting period end. The accuracy of the forecast data is reviewed each year end to identify any significant movements to actual results and adjustments made

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred. Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date

Plus Shipping Services Limited

Notes to the financial statements for the period ended 31 December 2007 (continued)

2 Operating profit

	2007	2006
	£'000	£'000
Operating profit is stated after charging		
Services provided by the company's auditor	4	-
Fees Payable for the Audit	4	-

The auditors' remuneration for audit services in the prior year was borne by another group company. No fees were paid to the auditors for non audit services (2006 £nil)

3 Interest receivable and similar income

	2007	2006
	£'000	£'000
Interest receivable on cash deposits	140	39

4 Interest payable and similar charges

	2007	2006
	£'000	£'000
Interest payable to other group companies	667	5
Interest payable on overdraft balances	167	-
Other similar charges	16	46
	850	51

Loans between group undertakings are interest bearing. Interest is charged at base rate plus 1%.

Plus Shipping Services Limited

Notes to the financial statements for the period ended 31 December 2007 (continued)

5 Directors' emoluments and employee information

There are no employees employed directly by the company (2006 nil)

All npower retail group employees, with the exception of the metering businesses, are employed by Npower Limited

The Directors of Plus Shipping Services Limited received no remuneration from the company as they are remunerated for their services to the group as a whole, by other group companies and it is not possible to allocate their emoluments to Plus Shipping Services Limited. Details of the Directors' aggregate remuneration are set out in the accounts of RWE Npower plc

Costs recharged to the npower retail group for the services of the Directors have been disclosed in the accounts of Npower Limited

During the year all of the directors (2006 all) exercised share options in RWE AG the ultimate parent company

All directors are members of defined benefit schemes in the current and preceding financial year

6 Tax charge on profit on ordinary activities

	2007	2006
	£'000	£'000
Current tax:		
Group relief payable	775	618
Charge to profit and loss account	775	618
The tax assessed for the period is the same as (2006 the same as) the standard rate of corporation tax in the UK (30%)		
	2007	2006
	£'000	£'000
Profit on ordinary activities before taxation	2,583	2,059
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	775	618
Total current tax charge	775	618

The standard rate of corporation tax in the UK changes to 28% with effect from the 1 April 2008

Plus Shipping Services Limited

Notes to the financial statements for the period ended 31 December 2007 (continued)

7 Debtors

	2007	2006
	£'000	£'000
Amounts due from other group companies	28,271	24,070
Other debtors	-	3
Corporation tax	28	-
Other tax and social security	-	992
Total amounts recoverable within one year	28,299	25,065

Amounts owed by group undertakings (parent and other) are unsecured, interest free and have no fixed date of repayment

8 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Bank overdrafts	-	3
Trade creditors	24	-
Loans owed to group undertakings	12,957	10,888
Other amounts owed to group undertakings	9,974	2,761
Corporation tax	-	1
Other tax and social security	340	-
Accruals and deferred income	1,745	9,961
	25,040	23,614

Loans due to group companies are unsecured and attract interest at base rate plus 1%

Other amounts owed to group undertakings (parent and other) are unsecured, interest free and have no fixed date of repayment

Other amounts owed to group undertakings include £775,000 in respect of group relief payable (2006 £618,000)

Plus Shipping Services Limited

Notes to the financial statements for the period ended 31 December 2007 (continued)

9 Called up share capital

	2007	2006
	£	£
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
1 ordinary shares of £1 each	1	1

10 Reserves

	Profit and loss account
	£'000
As at 1 January 2007	1,451
Profit for the financial year	1,808
At 31 December 2007	3,259

11 Reconciliation of movements in total shareholders' funds

	2007	2006
	£'000	£'000
Profit for the year and net increase in total shareholders' funds	1,808	1,441
Opening total shareholders' funds	1,451	10
Closing total shareholders' funds	3,259	1,451

12 Ultimate parent company and controlling party

The company's immediate parent undertaking is Npower Limited, a company incorporated in Great Britain and registered in England and Wales

The company's ultimate parent company is RWE AG, which is the parent undertaking of the smallest and largest group to consolidate these financial statements, a company incorporated in Germany. Copies of the group financial statements are available from RWE AG, Opernplatz 1, D-45128, Essen, Germany