Registration number: 04508350

Plus Shipping Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

Plus Shipping Services Limited
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Plus Shipping Services Limited
Strategic Report for the year ended 31 December 2019

The directors present their Strategic Report on Plus Shipping Services Limited ("the Company") for the year ended 31 December 2019.

Business review and future developments

The Company provides gas shipping services in return for a fixed monthly management fee.

The Company receives the gas commodity, network and transportation costs associated with the supply of gas to the customers of Gas Plus Supply Limited (GPS) and raises invoices equivalent to these costs to Npower Northern Limited, another group company. Npower Northern Limited onward invoices GPS for the consumption of gas by their customers, thereby accumulating both the costs and revenue associated with this consumption within one legal entity.

Future operating profitability is expected to remain at current levels throughout 2020. It is expected that the Company will transfer to E.ON UK in 2021 as the Telecom Plus contract is novated out of the npower Retail Group to E.ON UK.

In March 2018, RWE, which owns 76.8% of innogy SE, and fellow German utility, E.ON, agreed to a complex asset swap transaction. The main elements of this transaction are that E.ON will acquire innogy SE's Grid & Infrastructure and Retail businesses and in return, RWE will take on both E.ON and innogy SE's renewables businesses. RWE will also receive a 16.67% stake in E.ON. The asset swap transaction between RWE AG and E.ON concluded on 18th September 2019. The transaction has resulted in the Retail businesses of innogy SE, which include npower Retail Group, transferring to E.ON from RWE AG.

The UK left the European Union on 31st January 2020. The effects of 'Brexit' on the npower Retail Group have been considered but at the date of signing are not believed to have a significant impact, mainly as the npower Retail Group operates predominantly within the UK.

Whilst the Company remains part of the innogy SE group of companies it is funded by its parent on an ongoing basis through a cash management agreement providing access to multi-million pound funding on a daily basis as required to meet its daily working capital requirements. Future decisions by E.ON SE could lead to some or all of the companies within the npower Retail Group ceasing to trade, however the Company continues to enjoy financial support and is therefore viable in the long term whilst that support exists.

The Company is due to be sold to E.ON UK in 2021 as the underlying contract with GPS is being transferred, the transaction is likely to complete in the first quarter of 2021.

Promoting the success of the Company and Section 172 Statement of the Companies Act 2006 ('Act')
The directors' overarching duty is to promote the success of the Company for the benefit of its shareholders, with consideration of stakeholders' interests, as set out in section 172 of the Act.

The directors are aware of their duty under section 172 of the Act to act in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to the factors detailed in section 172(1) of the Act.

During 2019 the Company was a wholly owned subsidiary of innogy SE, a company, which throughout 2019 was listed on the Frankfurt stock exchange and strongly committed to responsible corporate governance in line with the recommendations of the German Corporate Governance Code, detailed in the Corporate Governance Report for innogy, available through investor relations section of the innogy website and referenced on page 7 of the innogy 2019 annual report (https://iam.innogy.com/en/about-innogy/investor-relations).

The directors of the Company were also required to adhere to the sustainability approach set out on page 95 of the innogy SE 2019 annual report. While their actions shape the success of the Company, they also have an impact on our people and the environment. As directors of a wholly owned subsidiary of innogy SE they were committed to the innogy Code of Conduct, which applies to innogy SE as well as directly and indirectly affiliated companies in and outside of Germany. The corporate governance declaration details our conduct to customers, shareholders, the public and our employees, and is also available from within the investor relations section of the innogy SE website, linked above.

The merger of innogy SE into E.ON Verwaltungs SE became legally effective on 2 June 2020. innogy SE therefore ceased to exist on that date. In addition, E.ON Verwaltungs SE changed its company name into innogy SE as of 2 June 2020. E.ON SE is listed on the Frankfurt Stock Exchange and, like Innogy SE, is bound by the German Corporate Governance Code.

The board of management of E.ON SE manages the group's operations on a global and divisional basis. The E.ON SE group has detailed policies and governance frameworks within which its subsidiaries must operate, including the Company. From the perspective of the directors, due to the E.ON SE group governance structure, the matters that they are responsible for considering under section 172(1) of the Act are also considered to an appropriate extent by the E.ON SE group management board in relation both to the E.ON SE group and the Company. Going forward, the directors consider the factors detailed under section 172(1) of the Act but are directed by the strategy set by the board of management of E.ON SE.

To the extent necessary for an understanding of the development, performance and position of the entity, the Company's directors believe that the requirements of section 172(1) are discussed within the E.ON SE Annual Report 2019 on pages 6 to 85, which does not form part of this report. Further detail in relation to the Company's consideration of section 172(1) of the Act is set out in the Directors' Report.

The Board regards a well-governed business as essential for the successful delivery of its principal activity and the activities of the Transformation UK programme as set out in the business review and future developments from page 1. The npower management board directs the operations of the Company which is aligned with the group governance set out above and in line with section 172 of the act, the change in ownership to E.ON SE has not significantly impacted the way the Company is governed.

Position of the business
The Company's profit for the financial year ended 31 December 2019 was £2k (2018: loss of £32k). The net assets of the Company at 31 December 2019 were £23.8m (2018: £23.8m).

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 as a whole. 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. These are formally reviewed and assessed by the Board on a quarterly basis and actions 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 and the strength of the economy 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. Detailed discussions of these risks and opportunities, in the context of the innogy SE Group as a whole are provided on pages 79 through 88 of the innogy SE 2019 Annual Report, which is available in the investor relations section of the innogy.com website.

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

Key performance indicators (KPIs)

The directors of the Company do not primarily focus their management of the activities of the Company or wider group on a legal entity basis. Instead business performance is monitored and assessed at a segmented level, which when aggregated covers all of the npower Retail Group's commercial activities in the UK. These segments are supported by a number of central functions that provide a range of services including finance, tax, strategy and HR. Each segment is managed in particular against a number of key performance indicators that cover a range of financial, service delivery, efficiency and operational measures. The operations and activities of the Company and the other entities within the Group are allocated across these segments. Therefore the Company's directors do not set KPIs at a legal entity level, and as a result such KPIs are not presented for the Company.

Approved by the Board on 26 November 2020 and signed on its behalf by:

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Mr S Stacey
Director

Plus Shipping Services Limited
Directors' Report for the year ended 31 December 2019

The directors present their report on the Company and the audited financial statements for the year ended 31 December 2019.

Principal activities
The principal activities of the Company is the shipment of gas to another company for the onward sale of gas to domestic customers.

Dividends
The directors do not recommend the payment of a dividend (2018: £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 P Sharman (resigned 30 November 2019)

Mr S Stacey

Mr C Thewlis (appointed 30 November 2019)

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
Further details of significant changes in the future developments of the Company are provided in the Strategic Report on page 1.

Going concern
The financial statements have been prepared on a going concern basis which assumes that the Company will continue to trade for at least the next 12 months. The basis of this assumption depends on the support of Npower Group Limited. Whilst Npower Group Limited had net current liabilities of £289m as at 31 December 2019, it has and continues to benefit from the support and access to funding from innogy SE. The Directors of Npower Group Limited believe this support will continue to be provided because:

• Npower plays a key role for the future of E.ON UK as its domestic customer base is currently being migrated to E.ON UK and E.ON UK's I&C business is due to be merged onto Npower's systems;

• Innogy SE recognises that the operations of Npower Group Limited's subsidiary companies will be subject to an orderly wind-down, or sale of assets and/or shares to E.ON UK plc over a period expected to take 24 months from February 2020, resulting in some or all of such companies ceasing to operate;

• Cash flow forecasts are produced regularly and submitted to the ultimate parent company as part of the annual three year planning process and these forecasts include assumptions on all expected cash flows in and out of the business including the impacts of COVID-19;

• Npower Group Limited has received a letter of support from innogy SE indicating that it intends to provide such funds as are necessary for Npower Group Limited to trade for at least the next 12 months and up to completion of the winding-down of operations; and

• The majority of the expected funding requirement required to the completion of the winding-down has already been drawn down at the time of the approval of these accounts.

Going concern (continued)
When considering all these factors, the Directors of Npower Group Limited have a high degree of certainty that the support from innogy SE will continue to be provided.

The Company received a letter of support from Npower Group Limited on 26th February 2020 which indicates that it will provide financial support to enable the Company to meet its liabilities as they fall due during the wind-down period. The Company's Directors also have a high degree of certainty that the support from innogy SE, via Npower Group Limited, will continue to be provided for the reasons noted above.

On 18th September, 2019 E.ON SE (E.ON) acquired RWE AG's (RWE) 76.8% majority stake in innogy SE (innogy1) as part of an extensive asset swap transaction. The main elements of this transaction were that E.ON acquired innogy1's Grid & Infrastructure and Retail businesses and in return, RWE has taken on both E.ON and innogy1's renewables businesses. RWE received a 16.67% stake in E.ON. Subsequently E.ON increased its shareholding in innogy1 to c90%, the remaining c10% minority shareholders retained their interests. innogy1 pursued a merger squeeze out process under German law to acquire this remaining minority holding.

On 2nd June 2020, that merger squeeze out process was completed and E.ON acquired the entire minority shareholding to become 100% owner of innogy1. At the same time, by operation of German law, innogy1 was merged into its immediate parent company E.ON Verwaltungs SE (E.ON V). Under this legal process, E.ON V became the legal successor to innogy1 and the assets and liabilities of innogy1 were assumed by E.ON V. On the same date (2nd June 2020), E.ON V changed its name to innogy SE. The new innogy SE (innogy2), although a separate German legal entity, is now legal successor to the letters of financial support in favour of Npower Group Limited from the old innogy SE (innogy1).

On 29th November 2019, it was announced that customer accounts of the npower Retail Group's Home and npower Business segments would be migrated to E.ON UK plc (E.ON UK) systems commencing Q2 2020 with completion scheduled for mid-2021. Terms for the transfer of the related customers supply contracts were formalised in a Sale and Purchase Agreement (SPA) on 11th February 2020. Under the SPA E.ON UK has become the principal employer of the Retail section of innogy pension scheme with the pension obligation being transferred to E.ON UK on 1st April 2020. Under the SPA, ownership of each customer contract will transfer to E.ON Energy Solutions Limited (EESL) upon migration of the related customer account.

The npower Retail Group's Business Solution segment is to merge with E.ON's Industrial and Commercial segment. Npower Business Solutions customers will be moved to the Junifer billing platform and the business will then be sold to E.ON UK plc, this is likely to occur in the first half of 2021.

The Company is a 100% owned subsidiary of the E.ON group and the innogy2 group. innogy2 group had a market capitalisation of €24.8 billion at the 2019 year end (2018: €22.4 billion) and employs around 35,000 employees. innogy2 group supplies over 14 million customers with electricity and over 4 million with gas across Europe, its key markets being in Germany, the Netherlands and the United Kingdom. In the year 2019, the innogy SE group recorded €35.4 billion (2018: €35.2 billion) in revenue and had a profit after tax of approximately €0.7 billion (2018: loss of €0.3 billion). Being a large group, innogy2 manages its financial resources with a Group Treasury function. This function allocates financial resources across the Group to meet all financial obligations in a timely fashion.

Future decisions by E.ON SE could lead to some or all of the companies within the npower Retail group ceasing to trade. The Company is due to be sold to E.ON UK in 2021. Given the above position, the financial statements of the Company have been prepared on a going concern basis, and this treatment will be reviewed on an annual basis.

Stakeholder engagement statement

The directors' overarching duty is to promote the success of the Company for the benefit of its shareholders, with consideration of stakeholders' interests, as set out in section 172 of the Act. The Board regards a well-governed business as essential for the successful delivery of its principal activity.

The directors are aware of their duty under section 172 of the Act to act in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to the factors detailed in section 172(1) of the Act.

During 2019 the Company was a wholly owned subsidiary of innogy SE, a company listed on the Frankfurt stock exchange and strongly committed to responsible corporate governance in line with the recommendations of the German Corporate Governance Code, detailed in the Corporate Governance Report for innogy, available through investor relations section of the innogy website and referenced on page 7 of the innogy 2019 annual report (https://iam.innogy.com/en/about-innogy/investor-relations).

The directors of the Company were also required to adhere to the sustainability approach set out on page 95 of the innogy SE 2019 annual report. While their actions shape the success of the Company, they also have an impact on our people and the environment. As directors of a wholly owned subsidiary of innogy SE they were committed to the innogy Code of Conduct, which applies to innogy SE as well as directly and indirectly affiliated companies in and outside of Germany. The corporate governance declaration details our conduct to customers, shareholders, the public and our employees, and is also available from within the investor relations section of the innogy SE website, linked above.

Conduct towards customers

We offer our customers a wide range of products and services in the energy supply industry. It is very important for us to deal with customers fairly, both in recognition of our regulatory obligations but also by putting customers at the centre of what we do including offering them suitable and efficient solutions.

Conduct towards shareholders

As a wholly owned subsidiary of innogy SE during 2019 the npower Retail Group aimed to follow the requirements of innogy and therefore the innogy shareholders' capital is the prerequisite and foundation of our business activities. We therefore aimed to preserve this capital and achieve returns on it in line with market conditions.

Conduct towards business partners

We advocate free competition and transparent markets and are against unfair competition and restrictions of competition. This means that we comply with requirements regarding tax levies, subsidy grants and procedures for awarding public contracts. Through our activities, we would like to set an example and work towards propagating the set of principles in our Code of Conduct. We therefore expect companies that enter into a business relationship with companies in the npower Retail Group to accept the principles in our Code of Conduct as the basis for the partnership. This happens by including the principles that are part of the innogy Code of Conduct in the contractual relationship. Should competing policies come into conflict with each other or the application of the principles of conduct not be possible during the course of the business relationship, we strive to agree on a common set of standards that is at least equal to the level of the UN Global Compact. If it becomes publicly known that a business partner has violated these responsibilities, we will re-examine our business relationship with that partner and take any appropriate measures that we deem necessary.

Stakeholder engagement statement (continued)
When choosing consultants and agents, we focus especially on their qualifications and integrity. In all business relationships, we observe the applicable national and international sanction and embargo directives as well as any other applicable foreign trade law restrictions. We also take all necessary and appropriate measures to prevent money laundering.

Conduct towards the public
During 2019 innogy published company information in accordance with German and international capital markets provisions in order to enable proper trading in company securities.

At the same time, non-public information that could reasonably be expected to significantly affect the price of company securities must remain confidential until it is officially released and must not be used as the basis for decisions about buying or selling securities. All communications from innogy are full, fair, accurate, timely and understandable. We respect the professional independence of journalists and the media.

Only authorised persons are allowed to disclose information concerning innogy or its subsidiaries to the public, the media or to other third parties.

Compliance management system
In order to minimise the risks of breaching the Code of Conduct, innogy provided a compliance management system. This serves to identify potential structural risks of corruption in the company. The measures necessary for removing or minimising the risks will be carried out, communicated regularly, monitored and continuously improved. This way, we wish to establish a compliance culture that meets the highest standards across the entire Group.

Future conduct
The merger of innogy SE into E.ON Verwaltungs SE became legally effective on 2 June 2020. innogy SE therefore ceased to exist on that date. In addition, E.ON Verwaltungs SE changed its company name into innogy SE as of 2 June 2020.

E.ON SE is listed on the Frankfurt Stock Exchange and, like Innogy SE, is bound by the German Corporate Governance Code. The two main operating divisions of the E.ON SE group are Energy Networks and Customer Solutions.

The board of management of E.ON SE manages the group's operations on a global and divisional basis. The E.ON SE group has detailed policies and governance frameworks within which its subsidiaries must operate, including the Company. From the perspective of the directors, due to the E.ON SE group governance structure, the matters that they are responsible for considering under section 172(1) of the Act are also considered to an appropriate extent by the E.ON SE group management board in relation both to the E.ON SE group and the Company. Going forward, the directors consider the factors detailed under section 172(1) of the Act but are directed by the strategy set by the board of management of E.ON SE.

To the extent necessary for an understanding of the development, performance and position of the entity, the Company's directors believe that the requirements of section 172(1) are discussed within the E.ON SE Annual Report 2019 on pages 6 to 85, which does not form part of this report. Further detail in relation to the Company's consideration of section 172(1) of the Act is set out in the Directors' Report.

Financial risk management

Capital management
The Company's objectives, policies and processes for managing capital are consistent with those of the innogy SE Group. Detailed discussions of these, in the context of the innogy SE Group as a whole, are provided on pages 79 to 88 of the innogy SE 2019 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.

Securities price risk
The Company has no significant exposure to equity securities price risk as it holds no material listed or other equity investments.

Interest rate cash flow risk
The Company has interest-bearing assets and liabilities. Interest-bearing assets include loans to group undertakings. Interest-bearing liabilities include loans from group undertakings. Interest on loans is fixed which minimises the interest rate risk faced by the Company.

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.

Statement of directors' 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 these 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.

Directors' confirmations

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

- so far as the director is aware, there is no relevant audit information 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 26 November 2020 and signed on its behalf by:

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Mr S Stacey
Director

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

Report on the audit of the financial statements

Opinion

In our opinion, Plus Shipping Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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 2019; 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require 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 2019 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.

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.

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. This description forms part of our auditors' report.

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

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

26 November 2020

Plus Shipping Services Limited
Profit and Loss Account for the year ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Turnover	4	330	330
Cost of sales		(300)	(300)
Operating profit		30	30
Interest receivable and similar income	5	21	14
Interest payable and similar charges	6	(49)	(67)
Administrative expenses		-	(1)
Profit/(loss) before taxation		2	(24)
Tax on profit/(loss)	10	-	(8)
Profit/(loss) for the financial year		2	(32)

The above results were derived from continuing 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 16 to 26 form an integral part of these financial statements.

Plus Shipping Services Limited
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Debtors: Amounts falling due within one year	11	30,341	22,012
Debtors: Amounts falling due after more than one year	12	-	18,551
		30,341	40,563
Creditors: Amounts falling due within one year	13	(6,542)	(16,766)
Net assets		23,799	23,797
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account		23,799	23,797
Total shareholders' funds		23,799	23,797

The financial statements on pages 13 to 26 were approved by the Board on 26 November 2020 and signed on its behalf by:

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Mr S Stacey

Director

Plus Shipping Services Limited registered company number: 04508350

The notes on pages 16 to 26 form an integral part of these financial statements.

Plus Shipping Services Limited
Statement of Changes in Equity for the year ended 31 December 2019

	Called up share capital £ 000	Profit and loss account £ 000	Total Shareholders' funds £000
At 1 January 2019	-	23,797	23,797
Profit for the financial year	-	2	2
Total comprehensive income for the year	-	2	2
At 31 December 2019	-	23,799	23,799

	Called up share capital £ 000	Profit and loss account £ 000	Total Shareholders' funds £ 000
At 1 January 2018	-	23,829	23,829
Loss for the financial year	-	(32)	(32)
Total comprehensive expense for the year	-	(32)	(32)
At 31 December 2018	-	23,797	23,797

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

Profit and loss account represents the retained earnings of the Company.

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 activity of the Company is the shipment of gas to another company for the onward sale of gas to domestic customers.

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 with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements were prepared under the historical cost convention.

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:

- Paragraph 33(c) of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations)

- 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.

- IFRS 7 (Financial Instruments: Disclosures)

- 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)

2 Accounting policies (continued)

Summary of disclosure exemptions (continued)
- 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.

Where required, equivalent disclosures are given in the group financial statements of innogy SE. The group financial statements of innogy SE are available to the public and can be obtained as set out in note 15.

Going concern
The financial statements have been prepared on a going concern basis which assumes that the Company will continue to trade for at least the next 12 months. The basis of this assumption depends on the support of Npower Group Limited. Whilst Npower Group Limited had net current liabilities of £289m as at 31 December 2019, it has and continues to benefit from the support and access to funding from innogy SE. The Directors of Npower Group Limited believe this support will continue to be provided because:

• Npower plays a key role for the future of E.ON UK as its domestic customer base is currently being migrated to E.ON UK and E.ON UK's I&C business is due to be merged onto Npower's systems;

• Innogy SE recognises that the operations of Npower Group Limited's subsidiary companies will be subject to an orderly wind-down, or sale of assets and/or shares to E.ON UK plc over a period expected to take 24 months from February 2020, resulting in some or all of such companies ceasing to operate;

• Cash flow forecasts are produced regularly and submitted to the ultimate parent company as part of the annual three year planning process and these forecasts include assumptions on all expected cash flows in and out of the business including the impacts of COVID-19;

• Npower Group Limited has received a letter of support from innogy SE indicating that it intends to provide such funds as are necessary for Npower Group Limited to trade for at least the next 12 months and up to completion of the winding-down of operations; and

• The majority of the expected funding requirement required to the completion of the winding-down has already been drawn down at the time of the approval of these accounts.

2 Accounting policies (continued)

Going concern (continued)
When considering all these factors, the Directors of Npower Group Limited have a high degree of certainty that the support from innogy SE will continue to be provided.

The Company received a letter of support from Npower Group Limited on 26th February 2020 which indicates that it will provide financial support to enable the Company to meet its liabilities as they fall due during the wind-down period. The Company's Directors also have a high degree of certainty that the support from innogy SE, via Npower Group Limited, will continue to be provided for the reasons noted above.

On 18th September, 2019 E.ON SE (E.ON) acquired RWE AG's (RWE) 76.8% majority stake in innogy SE (innogy1) as part of an extensive asset swap transaction. The main elements of this transaction were that E.ON acquired innogy1's Grid & Infrastructure and Retail businesses and in return, RWE has taken on both E.ON and innogy1's renewables businesses. RWE received a 16.67% stake in E.ON. Subsequently E.ON increased its shareholding in innogy1 to c90%, the remaining c10% minority shareholders retained their interests. innogy1 pursued a merger squeeze out process under German law to acquire this remaining minority holding.

On 2nd June 2020, that merger squeeze out process was completed and E.ON acquired the entire minority shareholding to become 100% owner of innogy1. At the same time, by operation of German law, innogy1 was merged into its immediate parent company E.ON Verwaltungs SE (E.ON V). Under this legal process, E.ON V became the legal successor to innogy1 and the assets and liabilities of innogy1 were assumed by E.ON V. On the same date (2nd June 2020), E.ON V changed its name to innogy SE. The new innogy SE (innogy2), although a separate German legal entity, is now legal successor to the letters of financial support in favour of Npower Group Limited from the old innogy SE (innogy1).

On 29th November 2019, it was announced that customer accounts of the npower Retail Group's Home and npower Business segments would be migrated to E.ON UK plc (E.ON UK) systems commencing Q2 2020 with completion scheduled for mid-2021. Terms for the transfer of the related customers supply contracts were formalised in a Sale and Purchase Agreement (SPA) on 11th February 2020. Under the SPA E.ON UK has become the principal employer of the Retail section of innogy pension scheme with the pension obligation being transferred to E.ON UK on 1st April 2020. Under the SPA, ownership of each customer contract will transfer to E.ON Energy Solutions Limited (EESL) upon migration of the related customer account.

The npower Retail Group's Business Solution segment is to merge with E.ON's Industrial and Commercial segment. Npower Business Solutions customers will be moved to the Junifer billing platform and the business will then be sold to E.ON UK plc, this is likely to occur in the first half of 2021.

The Company is a 100% owned subsidiary of the E.ON group and the innogy2 group. innogy2 group had a market capitalisation of €24.8 billion at the 2019 year end (2018: €22.4 billion) and employs around 35,000 employees. innogy2 group supplies over 14 million customers with electricity and over 4 million with gas across Europe, its key markets being in Germany, the Netherlands and the United Kingdom. In the year 2019, the innogy SE group recorded €35.4 billion 2018: €35.2 billion) in revenue and had a profit after tax of approximately €0.7 billion (2018: loss of €0.3 billion). Being a large group, innogy2 manages its financial resources with a Group Treasury function. This function allocates financial resources across the Group to meet all financial obligations in a timely fashion.

Future decisions by E.ON SE could lead to some or all of the companies within the npower Retail group ceasing to trade. The Company is due to be sold to E.ON UK in 2021. Given the above position, the financial statements of the Company have been prepared on a going concern basis, and this treatment will be reviewed on an annual basis.

2 Accounting policies (continued)

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 2019 have had a material impact on the company.

IFRS 16 is a new accounting standard that is effective for the year ended 31 December 2019 and had no material impact on the company's financial statements.

Plus Shipping Services Limited does not hold any qualifying lease contracts.

The IASB has adopted further Standards and amendments to Standards, which were not yet mandatory in the European Union (EU) in the year ending 31 December 2019. The most important changes are presented below. EU endorsement is still pending in some cases.

The following Standards, amendments to Standards, and Interpretations are not expected to have any material effects on npower Retail Group's consolidated financial statements:

• IFRS 17 Insurance Contracts (2017).
• Amendments to IFRS 9: Prepayment Features with Negative Compensation (2017).
• Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (2017).
• Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (2016).
• Annual Improvements to IFRS Standards 2014–2016 Cycle (2016), which contains amendments and clarifications to IFRS 1 and IAS 28.
• Amendments to IAS 40 Transfers of Investment Property (2016).
• Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (2016).
• Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and an Associate or Joint Venture (2014). First-time application of these amendments in the EU was delayed indefinitely.
• IFRIC 22 Foreign Currency Transactions and Advance Consideration (2016).
• IFRIC 23 Uncertainty over Income Tax Treatments (2017).
• Annual Improvements to IFRS Standards 2015–2017 Cycle (2017); this collective Standard contains amendments and clarifications to IFRS 3, IFRS 11, IAS 12 and IAS 23.
• Amendments to IAS 19 Plan Amendment, Curtailment or Settlement (2018).

2 Accounting policies (continued)

Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these. The company's activities are described in detail below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Energy supply: the Company supplies shipping services for gas to a third party B2C business. Turnover is recognised on the basis of shipping fees earned on energy supplied during the year, recognised over time per performance obligation fulfilled.

Receivables are recognised when the goods and services are delivered as this is the point in time that the consideration in unconditional because only the passage of time is required before the payment is due.

Other turnover comprises additional performance obligations and will have a proportion of the transaction price allocated if completed as part of an energy supply transaction.

Other turnover can be recognised at point in time, or over time, bring the date of service provision, which is when the customer obtains control of the good and services, and can benefit from them.

Payments to customers for sale purposes leads to the creation of a contract asset, charged to the income statement as a reduction of revenue.

Contract costs which are additionally incurred when obtaining a customer are capitalised and amortised over the same period as the contract term, ensuring a systematic basis consistent with the transfer of goods or services to the customer.

Contract terms are assigned with the earliest date of the contract exit, however, for energy contracts, revenue is only recognised on transfer to the customer.

Interest

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

2 Accounting policies (continued)

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.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business or amounts owed by group undertakings. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

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 or amounts due to group undertakings. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3 Critical accounting judgements and key sources of estimation uncertainty

There are no critical accounting judgements or key sources of estimation uncertainty.

4 Turnover

The Company operates in one class of business, the shipment of gas to another company for the onward sale of gas to domestic customers, and in one geographical segment, the United Kingdom. The analysis of the Company's turnover for the year from continuing operations is as follows:

	2019 £ 000	2018 £ 000
Sale of goods	330	330

The Company has no contract assets or liabilities to disclose in respect of IFRS 15 for the 2019 financial year (2018: £nil).

5 Interest receivable and similar income

	2019 £ 000	2018 £ 000
Interest receivable from group undertakings	21	14

6 Interest payable and similar expenses

	2019 £ 000	2018 £ 000
Interest payable to group undertakings	49	67

7 Staff costs

As employees may work across several legal entities, average staff numbers have been deduced based on the average employee cost for the npower Retail Group. The notional average monthly number of persons employed by the Company are nil for the current and preceding year, which is reflective of the underlying activity of the Company.

8 Directors' remuneration

The Directors of Plus Shipping Services Limited received no remuneration (2018: £nil) from the Company. The Directors were remunerated for their services to the npower Retail Group as a whole, including Plus Shipping Services Limited, by other group companies and it is not possible to allocate their emoluments to Plus Shipping Services Limited.

The remuneration is unable to be allocated to individual entities as the npower Retail Group is not managed on a legal entity basis. Details of the directors' aggregate remuneration for the year ended 31 December 2019 are set out in the financial statements of Npower Limited together with details of the highest paid director in the npower Retail Group.

During the year the number of directors who were receiving benefits was as follows:

	2019 No.	2018 No.
Accruing benefits under defined benefit pension scheme	2	1
Accruing benefits under money purchase pension scheme	1	1

During the year no directors (2018: nil) exercised share options in E.ON SE the ultimate parent company. None (2018 nil) 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.

Further details of the nature and extent of share based payment arrangements have been disclosed in full within the financial statements of Npower Limited. The directors do not consider it necessary to provide separate disclosure within Plus Shipping Services Limited's financial statements, as the amount is not material.

9 Auditors' remuneration

The audit fee for the Company was borne by Npower Limited, another npower Retail Group company, and not recharged (2018: same). No fees were paid to the auditors for non-audit services (2018: £nil).

10 Tax on loss

Tax charged in the profit and loss account:

	2019 £ 000	2018 £ 000
Current taxation		
Group relief payable	-	8

The tax assessed on the loss before taxation for the year is the same as the standard rate of corporation tax in the UK (2018: higher than the standard rate of corporation tax in the UK) of 19% (2018: 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit/(loss) before taxation	2	(24)
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	-	(4)
Expenses not deductible for tax purposes	-	12
Total tax charge	-	8

There is no unprovided deferred tax (2018: £nil).

Factors that may affect future tax charges
In December 2019 there was a general election, as part of the Government's manifesto it was announced that the corporation tax rate would not reduce to 17% from April 2020 and that the rate would remain at 19% for the foreseeable future. At the balance sheet date however, the rate reduction to 17% was still substantively enacted and therefore we have continued to recognise deferred tax at that rate.

11 Debtors: Amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade debtors	544	165
Amounts owed by group undertakings	19,142	17,527
Other debtors	6,891	908
Value added tax	3,764	3,412
	30,341	22,012

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12 Debtors: Amounts falling due after more than one year

	2019 £ 000	2018 £ 000
Loans owed by group undertakings	-	18,551

At the year end there were no loan deposits, during the prior year loan deposits were unsecured and bear interest at a rate of 0.58%. Loans owed by group undertakings also include accrued interest receivable on the loan agreements.

13 Creditors: Amounts falling due within one year

	2019 £ 000	2018 £ 000
Trade creditors	734	-
Amounts owed to group undertakings	8	16,764
Bank overdrafts	2	2
Loans owed to group undertakings	5,798	-
	6,542	16,766

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

Amounts owed to group undertakings include £8k (2018: £25k) in respect of group relief payable.

Loans owed to group undertakings are unsecured and at 31 December 2019 bear interest at a rate of 1.125% (2018: nil%). Loans owed by group undertakings also include accrued interest payable on the loan agreements.

Cash surpluses and deficits in each Group company are now swept on a daily basis and recognised as loans owed to/by group undertakings. Interest is calculated on a daily basis and interest rates reflect the overall cost of borrowing or deposit rates and are updated where required. All loans within this financing arrangement mature on 30 December 2021.

14 Called up share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	**£**	**No.**	**£**
Ordinary shares of £1 each	1	1	1	1

15 Controlling parties

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

The name of the parent undertaking of the smallest group in whose consolidated financial statements the Company's financial statements are consolidated is innogy SE, a company incorporated in Germany. These financial statements are available upon request from innogy SE, Opernplatz 1, D-45128 Essen, Germany.

The ultimate parent company and controlling party is E.ON SE, a company incorporated in Germany, which is the parent undertaking of the 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.

16 Non adjusting events after the financial period

During 2020 the Company has experienced negative impacts of the COVID-19 pandemic. The Company implemented crisis management plans which allowed the Company to maintain key functions whilst operating within the restrictions put in place by the Government. Despite the impact of COVID-19, the directors believe that the Company can meet its obligations as they fall due for a period of at least twelve months from the date of approval of these financial statements.

This has been discussed further within the Basis of preparation section of the Accounting Policies note.