

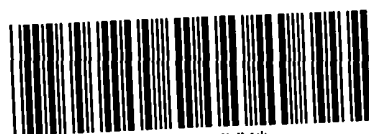
Registration number: 04508350

# Plus Shipping Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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**Plus Shipping Services Limited**  
**Contents**

	<b>Page(s)</b>
Strategic Report for the year ended 31 December 2017	1 - 2
Directors' Report for the year ended 31 December 2017	3 - 6
Independent Auditors' Report to the members of Plus Shipping Services Limited	7 - 9
Profit and Loss Account for the year ended 31 December 2017	10
Balance Sheet as at 31 December 2017	11
Statement of Changes in Equity for the year ended 31 December 2017	12
Notes to the Financial Statements for the year ended 31 December 2017	13 - 20

## **Plus Shipping Services Limited**

### **Strategic Report for the year ended 31 December 2017**

The directors present their Strategic Report on Plus Shipping Services Limited ("the Company") for the year ended 31 December 2017.

#### **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 for the foreseeable future, reflecting the commercial terms of the ongoing 20 year supply arrangement agreed in 2013 between Npower and GPS.

The parent company of the Npower Group, innogy SE, announced on the 8 November 2017 that it plans to merge the Npower Group with SSE's household energy and energy services business in Great Britain to form a major, independent British retail energy company. The new company is planned to have a premium listing on the London Stock Exchange and innogy SE will hold a minority stake of 34.4%, with SSE's shareholders (not SSE itself) holding the remaining 65.6% stake.

The new business will serve around 11.5 million customer accounts and employ around 15,000 people across Great Britain. Before the new company can operate it is necessary to obtain competition authority approval for the merger. The exact timing of closing will depend upon when all necessary closing conditions are met.

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

The Company's loss for the financial year ended 31 December 2017 was £377k (2016 loss: £730k). The net assets of the Company at 31 December 2017 were £24m (2016: £24m).

#### **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 Retail Group as a whole.

The Company is part of the Npower Retail Group. The Npower Retail Group consists of 6 main trading entities and 5 other trading entities. The main trading entities are Npower Limited, Npower Northern Limited, Npower Yorkshire Limited, Npower Gas Limited, Npower Commercial Gas Limited and Npower Direct Limited.

The 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 risks affecting the Retail Group are the retention rates of existing customers and the proportion of its market share. The level of volatility in electricity wholesale prices and the overhanging threat of a Standard Variable Tariff price cap through intervention by the UK government are the main uncertainties faced. Detailed discussions of these risks and opportunities, in the context of the innogy SE Group as a whole are provided on pages 98 through 106 of the innogy SE 2017 Annual Report.

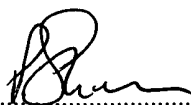
In line with the requirements of the German Corporate Control and Transparency Act (KonTraG), the Company's risk management system enables the directors to identify risks at an early stage and initiate mitigating action where necessary.

**Plus Shipping Services Limited**  
**Strategic Report for the year ended 31 December 2017 (continued)**

**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 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 21 June 2018 and signed on its behalf by:



.....  
Mr P Sharman  
Director

## **Plus Shipping Services Limited**

### **Directors' Report for the year ended 31 December 2017**

The directors present their report on the Company and the audited financial statements for the year ended 31 December 2017.

#### **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 (2016 : £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

Mr S Stacey

#### **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. The basis of this assumption depends on the support of Npower Group Limited (formerly Npower Group plc). Npower Group Limited has indicated that it intends to provide funds as are necessary for the Company to trade for the foreseeable future.

As mentioned in the long term viability statement on page 4, the proposed merger of npower and SSE's household energy and energy services businesses would create an independent stock market-listed company. The directors are of the opinion that the new company will be structured to enable an investment grade credit rating, able to access external sources of finance and with sufficient liquidity to meet its operating needs.

## **Plus Shipping Services Limited**

### **Directors' Report for the year ended 31 December 2017 (continued)**

#### **Long term viability statement**

The Company is a 100% owned subsidiary of the innogy SE group. The innogy SE group is majority owned by the RWE group following a successful IPO in 2016. innogy SE group had a market capitalisation of €18.2 billion (£15.9 billion) at 2017 year end and employs over 42,000 employees. innogy SE group supplies approximately 16 million customers with electricity and around 7 million with gas in eleven European countries, its key markets being in Germany, the Netherlands and the United Kingdom. In the year 2017, the innogy SE group recorded €43.1 billion (£37.7 billion) in revenue, and had an income after tax of approximately €1.1 billion (£1 billion). Being a large group, innogy SE 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.

In November 2017 innogy SE announced the plan to create a major British energy company by bringing together npower with SSE's household energy and energy services business in Great Britain. The proposed merger would create an independent, stock market-listed company controlled by neither SSE nor innogy SE but with innogy SE holding a minority stake. The new company would be a home energy solutions and services company serving 11.5 million customer accounts and employing around 15,000 people across Great Britain. The directors believe that the new company will be structured to enable an investment grade credit rating, able to access external sources of finance, with sufficient liquidity to meet its operating needs as a dedicated retail business, able to respond well to the changing nature of the energy supply and related services market in Great Britain. The merger is contingent on obtaining the necessary approvals from the shareholders of SSE in July 2018 and the Competition and Markets Authority, a decision on this is likely in the last quarter of 2018 or the first quarter of 2019.

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.

#### **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 page 130 of the innogy SE 2017 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.

## **Plus Shipping Services Limited**

### **Directors' Report for the year ended 31 December 2017 (continued)**

#### **Financial risk management (continued)**

##### ***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**

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 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.

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.

**Plus Shipping Services Limited**  
**Directors' Report for the year ended 31 December 2017 (continued)**

**Statement of disclosure of information to the auditors**

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 21 June 2018 and signed on its behalf by:



.....  
Mr P Sharman  
Director

**Plus Shipping Services Limited**  
**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 2017 and of its loss 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 2017; the Profit and Loss Account, 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 when:

- 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.

**Plus Shipping Services Limited**  
**Independent Auditors' Report to the members of Plus Shipping Services Limited**  
**(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 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 2017 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 set out on page 5, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Plus Shipping Services Limited**  
**Independent Auditors' Report to the members of Plus Shipping Services Limited**  
**(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.

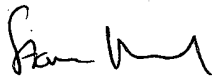
**Other required reporting**

**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.



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

Date: 27 June 2018

**Plus Shipping Services Limited**  
**Profit and Loss Account for the year ended 31 December 2017**

	Note	2017 £ 000	2016 £ 000
Turnover	4	330	330
Cost of sales		<u>(300)</u>	<u>(300)</u>
Operating profit		<u>30</u>	<u>30</u>
Interest receivable and similar income	5	58	35
Interest payable and similar expenses	6	<u>(449)</u>	<u>(789)</u>
		<u>(391)</u>	<u>(754)</u>
Loss before taxation		(361)	(724)
Tax on loss	10	<u>(16)</u>	<u>(6)</u>
Loss for the financial year		<u><u>(377)</u></u>	<u><u>(730)</u></u>

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 13 to 20 form an integral part of these financial statements.

**Plus Shipping Services Limited**  
**Balance Sheet as at 31 December 2017**

	Note	2017 £ 000	2016 £ 000
Debtors: Amounts falling due within one year	11	3,901	45,288
Debtors: Amounts falling due after more than one year	12	<u>20,120</u>	<u>-</u>
Total assets		24,021	45,288
Creditors: Amounts falling due within one year	13	<u>(192)</u>	<u>(21,082)</u>
Net assets		<u>23,829</u>	<u>24,206</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account		<u>23,829</u>	<u>24,206</u>
Total shareholders' funds		<u>23,829</u>	<u>24,206</u>

The financial statements on pages 10 to 20 were approved by the Board on 21 June 2018 and signed on its behalf by:



Mr P Sharman

Director

Plus Shipping Services Limited registered company number: 04508350

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

**Plus Shipping Services Limited**  
**Statement of Changes in Equity for the year ended 31 December 2017**

	<b>Called up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total Shareholders' funds £000</b>
At 1 January 2017	-	24,206	24,206
Loss for the financial year	-	(377)	(377)
Total comprehensive expense for the year	-	(377)	(377)
At 31 December 2017	-	23,829	23,829

	<b>Called up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total Shareholders' funds £ 000</b>
At 1 January 2016	-	24,936	24,936
Loss for the financial year	-	(730)	(730)
Total comprehensive expense for the year	-	(730)	(730)
At 31 December 2016	-	24,206	24,206

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 accumulated profits of the Company.

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

## **Plus Shipping Services Limited**

### **Notes to the Financial Statements for the year ended 31 December 2017**

#### **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)
- 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)
- 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

## **Plus Shipping Services Limited**

### **Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Summary of disclosure exemptions (continued)**

- IAS 7 (Statement of Cash Flows)

- Paragraphs 30 and 31 of IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors)

- Paragraph 17 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. The basis of this assumption depends on the support of Npower Group Limited. Npower Group Limited has indicated that it intends to provide funds as are necessary for the Company to trade for the foreseeable future.

As mentioned in the Directors Report it is proposed that npower and SSE's household energy and energy services businesses will merge to create an independent stock market-listed company. The directors are of the opinion that the new company will be structured to enable an investment grade credit rating, with access to external sources of financing and sufficient liquidity to meet its operating needs.

##### **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 2017 have had a material impact on the company.

##### **Turnover**

Turnover comprises the value of services, excluding VAT and other indirect taxes, for the shipment of gas in the normal course of business. Turnover is recognised at the point of supply of gas to another company for the onward sale of gas to domestic customers.

##### **Interest**

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

## **Plus Shipping Services Limited**

### **Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or 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. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debt.

##### **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 and is included in finance costs.

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:

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Sale of goods	<u>330</u>	<u>330</u>

**Plus Shipping Services Limited**

**Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

**5 Interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest receivable on bank deposits	1	35
Interest receivable from group undertakings	57	-
	<u>58</u>	<u>35</u>

**6 Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest payable on bank overdrafts and borrowings	2	30
Interest payable to group undertakings	447	759
	<u>449</u>	<u>789</u>

**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 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.

<b>2017</b>	<b>2016</b>
<b>No.</b>	<b>No.</b>
<u>-</u>	<u>-</u>

## **Plus Shipping Services Limited**

### **Notes to the Financial Statements for the year ended 31 December 2017 (continued)**

#### **8 Directors' remuneration**

The Directors of Plus Shipping Services Limited received no remuneration (2016: £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 2017 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:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under defined benefit pension scheme	1	1
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

During the year no directors (2016: nil) exercised share options in RWE AG the ultimate parent company. None (2016: nil) of the directors received or became entitled to receive aggregate cash payments in RWE AG 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 group company, and not recharged. No fees were paid to the auditors for non-audit services.

**Plus Shipping Services Limited****Notes to the Financial Statements for the year ended 31 December 2017 (continued)****10 Tax on loss**

Tax charged in the profit and loss account:

	2017 £ 000	2016 £ 000
<b>Current taxation</b>		
Group relief payable	<u>16</u>	<u>6</u>

The tax assessed on the loss before taxation for the year is higher than the standard rate of corporation tax in the UK (2016: higher than the standard rate of corporation tax in the UK) of 19.25% (2016: 20%).

	2017 £ 000	2016 £ 000
Loss before taxation	<u>(361)</u>	<u>(724)</u>
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	(70)	(145)
Expenses not deductible for tax purposes	<u>86</u>	<u>151</u>
Total tax charge	<u>16</u>	<u>6</u>

There is no unprovided deferred tax.

**Factors that may affect future tax charges**

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**11 Debtors: Amounts falling due within one year**

	2017 £ 000	2016 £ 000
Trade debtors	198	34
Amounts owed by group undertakings	558	41,977
Value added tax	<u>3,145</u>	<u>3,277</u>
	<u>3,901</u>	<u>45,288</u>

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

**Plus Shipping Services Limited****Notes to the Financial Statements for the year ended 31 December 2017 (continued)****12 Debtors: Amounts falling due after more than one year**

	2017	2016
	£ 000	£ 000
Loans owed by group undertakings	20,120	-

During the year the Group revised its financing arrangements. 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.

The loans are unsecured and at 31 December 2017 bear interest at a rate of 1.56%. Loans owed by group undertakings also include accrued interest receivable on the loan agreements.

**13 Creditors: Amounts falling due within one year**

	2017	2016
	£ 000	£ 000
Trade creditors	31	328
Amounts owed to group undertakings	159	366
Bank overdrafts	2	3
Loans owed to group undertakings	-	20,385
	192	21,082

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

Amounts owed to group undertakings include £16k (2016: £6k) in respect of group relief payable.

Loans owed to group undertakings outstanding at 31 December 2016 were settled during the year. The loan was unsecured and bore interest at 3.43%.

**Plus Shipping Services Limited****Notes to the Financial Statements for the year ended 31 December 2017 (continued)****14 Called up share capital****Allotted, called up and fully paid shares**

	No.	2017 £	No.	2016 £
Ordinary shares of £1 each (2016: £1 each)	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**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 RWE AG, a company incorporated in Germany, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of RWE AG consolidated financial statements can be obtained from RWE AG, Huyssenallee 2, 45128 Essen, Germany.