

# **Npower Cogen Trading Limited**

Annual Report and Financial Statements

for the Year Ended 31 December 2014

Registered number: 02745602

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## **Npower Cogen Trading Limited**

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## **Npower Cogen Trading Limited**

### **Strategic Report for the year ended 31 December 2014**

The directors present their Strategic Report and the audited financial statements for the year ended 31 December 2014.

#### **Principal activity**

Following a decision to sell the trade and assets of the Company in March 2010 the Company undertook no trading or operational activities during the year.

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

The Company did not undertake any trading or operational activities during the year. The Company's loss for the financial year was £4k (2013: £8k profit), arising from refunds of surplus costs incurred in earlier financial years of £2k (2013: £8k) less £6k of administrative expenses consisting of debtors that the Company has written off. At 31 December 2014 the Company no debtors or creditors (2013: £5k of debtors and £3k cash).

The Company is not expected to trade in the foreseeable future and will be wound up in due course.

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

Npower Cogen Trading Limited does not have any trading or operational activities. For this reason, the Company is not subject to significant risks or uncertainties.

#### **Key performance indicators (KPI's)**

Npower Cogen Trading Limited does not have any trading or operational activities. For this reason, the Company's directors do not set KPI's for this entity.

Approved by the Board on 8 July 2015 and signed on its behalf by:



Rebecca Wall  
Director

## **Npower Cogen Trading Limited**

### **Directors' Report for the year ended 31 December 2014**

The directors present their report and the audited financial statements for the year ended 31 December 2014.

#### **Results and dividends**

The Company's loss for the year ended 31 December 2014 is £4k (2013: £8k profit).

During the year the Company paid dividends of £1,834 per share totalling £3,668 (2013: £nil) as follows:

<i><b>Recipient</b></i>	<i><b>Class of Shares</b></i>	<i><b>Date of Distribution</b></i>	<i><b>Amount</b></i>
RWE Generation UK plc	Ordinary	31 December 2014	£3,668

The directors do not recommend payments of a final dividend (2013: £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:

Fraser Blunt

Rebecca Wall

#### **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 not been prepared on a going concern basis as the Company ceased trading in 2010 making the going concern presumption in FRS 18 (Accounting Policies) inappropriate. The financial statements have been prepared on a basis other than going concern which reflects the directors' expectation not to trade for the foreseeable future.

## **Npower Cogen Trading Limited**

### **Directors' Report for the year ended 31 December 2014 (continued)**

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

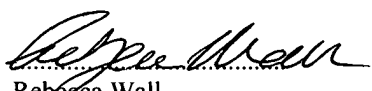
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved by the Board on 8 July 2015 and signed on its behalf by:



Rebecca Wall  
Director

**Npower Cogen Trading Limited**  
**Independent Auditors' Report to the members of Npower Cogen Trading Limited**

**Report on the financial statements**

**Our opinion**

In our opinion, Npower Cogen Trading Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of accounting. The Company ceased trading in 2010. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

**What we have audited**

Npower Cogen Trading Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Npower Cogen Trading Limited**  
**Independent Auditors' Report to the members of Npower Cogen Trading Limited**  
**(continued)**

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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

**Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

**Npower Cogen Trading Limited**  
**Independent Auditors' Report to the members of Npower Cogen Trading Limited**  
**(continued)**

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



.....  
Richard French (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London

Date:..... 8/7/15



**Npower Cogen Trading Limited**  
**Profit and Loss Account for the year ended 31 December 2014**

	Note	2014 £ 000	2013 £ 000
Administrative expenses		(6)	-
Other operating income		<u>2</u>	<u>8</u>
(Loss)/profit on ordinary activities before taxation	3	(4)	8
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year	9	<u><u>(4)</u></u>	<u><u>8</u></u>

All results relate to discontinued operations.

The Company has no recognised gains and losses other than the (loss)/profit shown above and therefore no separate statement of total recognised gains and losses has been presented.


There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical cost equivalents.

The notes on pages 9 to 13 form an integral part of these financial statements.

**Npower Cogen Trading Limited**  
**Balance Sheet as at 31 December 2014**

	Note	31 December 2014 £ 000	31 December 2013 £ 000
<b>Current assets</b>			
Debtors	7	-	5
Cash at bank and in hand		-	3
Net current assets		-	8
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	-	8
Total shareholders' funds	10	-	8

The financial statements on page 7 to 13 were approved by the Board of directors on 8 July 2015 and were signed on its behalf by:

  
Rebecca Wall  
Director

Npower Cogen Trading Limited registered company number: 02745602

The notes on pages 9 to 13 form an integral part of these financial statements.

**Npower Cogen Trading Limited**  
**Notes to the Financial Statements for the year ended 31 December 2014**

**1 Accounting policies**

**Basis of preparation of financial statements**

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

As the Company ceased trading in 2010, the going concern basis of accounting is not appropriate for the current and comparative accounts. No adjustments were required and made to these financial statements as the assets are held at their recoverable value and any future costs of terminating the business are expected to be immaterial. The principal accounting policies are set out below and have been applied consistently across the current and comparative financial information.

**Other operating income**

Other operating income relates to refunds of surplus costs incurred in earlier financial years, including surplus credit cover charges paid by the Company. Credit cover charges were paid by the Company as collateral covering the period up to when trading charges were due for payment.

**Dividends**

Interim dividends are recognised in the period in which they are paid or when the Company has a constructive or legal commitment to pay the dividend.

**Taxation**

Current taxation is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The charge for taxation is based on the profit for the financial year and takes into account deferred tax. In accordance with FRS 19 (Deferred Taxation), deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax assets are recognised to the extent that they are regarded recoverable and that there will be suitable taxable profits from which the future reversal can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax is measured on a non-discounted basis.

## **Npower Cogen Trading Limited**

### **Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

#### **2 Cash flow statement and related party disclosures**

The Company is a wholly owned subsidiary of RWE AG and is included in the consolidated financial statements of RWE AG, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Cash Flow Statements). The Company is also exempt under the terms of FRS 8 (Related Party Disclosures) from disclosing related party transactions with entities that are part of the RWE AG group or investees of the RWE AG group.

#### **3 (Loss)/profit on ordinary activities before taxation**

The audit fee in 2014 and 2013 was borne by RWE Generation UK plc (formerly RWE Npower plc), the immediate parent undertaking and no recharge was made.

#### **4 Directors' remuneration**

The directors provide the majority of their services to other group companies and therefore received no remuneration (2013: £nil) from Npower Cogen Trading Limited during the year.

#### **5 Particulars of employees**

The Company has no employees other than the directors.

**Npower Cogen Trading Limited**  
**Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

**6 Taxation**

**Tax on (loss)/profit on ordinary activities**

	Year ended 31 December 2014 £ 000	Year ended 31 December 2013 £ 000
<b>Current tax</b>		
UK Corporation tax	-	-
<b>Deferred tax</b>		
Total deferred tax	-	-
Total tax on (loss)/profit on ordinary activities	-	-

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £ 000	2013 £ 000
(Loss)/profit on ordinary activities before tax	(4)	8
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(1)	2
Expenses not deductible for tax purposes	1	-
Utilisation of tax losses	-	(2)
Total current tax	-	-

A deferred tax asset of £31k (2013: £31k) in respect of post cessation expenses carried forward was not recognised as the Company is not expected to trade for the foreseeable future.

**Factors that may affect future tax charges**

During the year, the main rate of UK corporation tax was reduced from 23% to 21%. This was substantively enacted on 2 July 2013 and was effective from 1 April 2014.

Further changes to the main rate of corporation tax were also substantively enacted on 2 July 2013 to reduce the rate to 20% effective from 1 April 2015. As this rate was substantively enacted in the prior period, the relevant deferred tax balances have not been re-measured in the current year.

**Npower Cogen Trading Limited**  
**Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

**7 Debtors**

	31 December 2014 £ 000	31 December 2013 £ 000
Other debtors	<u>-</u>	<u>5</u>

**8 Called up share capital**

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

	2014 No.	2014 £	2013 No.	2013 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**9 Reserves**

	Profit and loss account £ 000
At 1 January 2014	8
Loss for the financial year	(4)
Dividends paid	<u>(4)</u>
At 31 December 2014	<u>-</u>

**10 Reconciliation of movements in shareholders' funds**

	2014 £ 000	2013 £ 000
(Loss)/profit for the financial year	(4)	8
Dividends paid	<u>(4)</u>	<u>-</u>
Net (reduction)/addition to shareholders funds	(8)	8
Shareholders' funds at 1 January	<u>8</u>	<u>-</u>
Shareholders' funds at 31 December	<u>-</u>	<u>8</u>

**Npower Cogen Trading Limited**  
**Notes to the Financial Statements for the year ended 31 December 2014 (continued)**

**11 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is RWE Generation UK plc (formerly RWE Npower plc).

The ultimate parent undertaking and controlling party is RWE AG, a company incorporated in Germany.

RWE AG is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2014. The consolidated financial statements of RWE AG are available from RWE AG, Opernplatz 1, 45128 Essen, Germany.