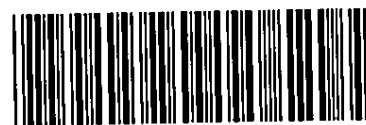


# **Homepower Retail Limited**

## **Directors' report and financial statements for the year ended 31 December 2008**

Registered number: 2806999

TUESDAY



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# **Homepower Retail Limited**

## **Directors' report and financial statements for the year ended 31 December 2008**

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# **Homepower Retail Limited**

## **Directors' report for the year ended 31 December 2008**

The Directors present their report and the audited financial statements for the year ended 31 December 2008.

### **Principal activities**

The company had no activities in the year. The Directors expect no change in the current status of the company in the foreseeable future.

### **Results and dividends**

The results for the year are presented in the profit and loss account set out on page 4. No dividend is proposed (2007: nil).

### **Directors and their interests**

The Directors who served during the year were:

F Stark

J A Keene

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Homepower Retail Limited**

## **Directors' report for the year ended 31 December 2008 (continued)**

### **Going concern**

The company has ceased trading. In accordance with the requirements of the Companies Act 1985 for the financial statements to show a true and fair view, the Directors have therefore departed from the going concern basis. Assets have been written down to their estimated realisable value and long-term liabilities have been reclassified as current liabilities.

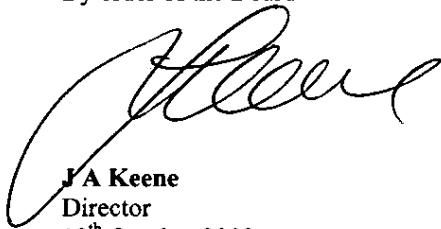
The Directors of both RWE AG and E.ON AG, the ultimate parent companies, have indicated their willingness to continue to provide financial support to the company for the foreseeable future, at least one year from the date of approval of these financial statements, sufficient for the company to meet its obligations as they fall due.

### **Auditors and disclosure of information to auditors**

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

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

By order of the Board



**J A Keene**  
Director  
13<sup>th</sup> October 2009

## **Independent auditors' report to the members of Homepower Retail Limited**

We have audited the financial statements of Homepower Retail Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

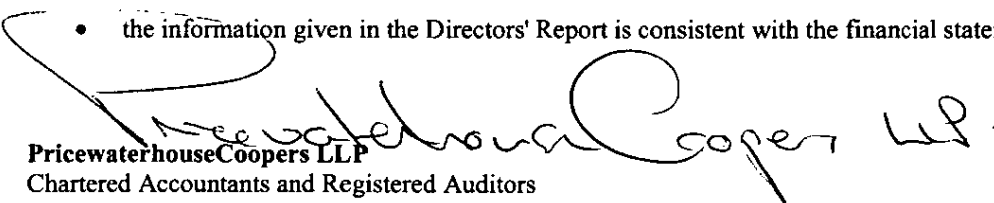
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its results for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

16 October 2009.

## Homepower Retail Limited

### Profit and loss account for the year ended 31 December 2008

		2008	2007
	Notes	£'000	£'000
<b>Profit on ordinary activities before interest and taxation</b>		-	-
Interest receivable and similar income		-	1
<b>Profit on ordinary activities before taxation</b>	2	-	1
Tax (credit)/charge on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>	7	-	1

The results above all relate to discontinued activities.

There were no recognised gains or losses in the current or preceding financial year other than the results as shown above.

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

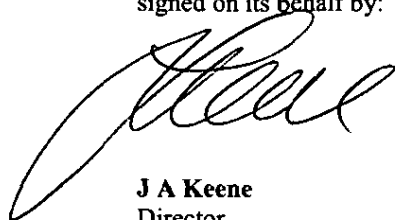
Movements on reserves are set out in note 7 to the financial statements.

# Homepower Retail Limited

## Balance sheet as at 31 December 2008

	Notes	2008 £'000	2007 £'000
<b>Current assets</b>			
Cash at bank and in hand		40	40
		40	40
<b>Creditors: amounts falling due within one year</b>	5	(22,407)	(22,407)
<b>Net current liabilities</b>		(22,367)	(22,367)
<b>Net liabilities</b>		(22,367)	(22,367)
<b>Capital and reserves</b>			
Called up share capital	6	31,000	31,000
Profit and loss reserve	7	(53,367)	(53,367)
<b>Total shareholders' deficit</b>	8	(22,367)	(22,367)

The financial statements on pages 4 to 9 were approved by the board of Directors on 13<sup>th</sup> October 2009 and signed on its behalf by:



**J A Keene**  
Director

# **Homepower Retail Limited**

## **Notes to the financial statements for the year ended 31 December 2008**

### **1 Principal accounting policies**

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

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Under FRS 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Company is categorised as a small company.

#### **Going concern**

The company has ceased trading. In accordance with the requirements of the Companies Act 1985 for the financial statements to show a true and fair view, the Directors have therefore departed from the going concern basis. Assets have been written down to their estimated realisable value and long-term liabilities have been reclassified as current liabilities.

The Directors of both RWE AG and E.ON AG, the ultimate parent companies, have indicated their willingness to continue to provide financial support to the company for the foreseeable future, at least one year from the date of approval of these financial statements, sufficient for the company to meet its obligations as they fall due.

#### **Taxation**

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

### **2 Profit on ordinary activities before taxation**

The audit fee is payable by other group companies on behalf of Homepower Retail Limited. No non-audit fees (2007: £nil) were paid to the auditors in the year.

### **3 Directors' emoluments and employee information**

No amounts were paid in respect of the Directors' remuneration for either the current year or previous period. All of the Directors are also employees of the shareholders and are remunerated by them. None of the remuneration for these Directors relates specifically to the provision of services to the company and consequently their emoluments are included as £nil (2007: £nil).

One Director (2007: one) is a member of a defined benefit pension scheme.

There were no employees other than Directors (2007: nil).



# Homepower Retail Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 4 Taxation on profit on ordinary activities

	2008	2007
	£'000	£'000
UK corporation tax charge at 28.5% (2007: 30%)	-	-
Tax (credit)/charge on profit on ordinary activities	-	-

The current tax assessed is the lower than (2007: the same as) the standard rate of corporation tax in the UK. The differences are explained below:-

	2008	2007
	£'000	£'000
Profit on ordinary activities before tax	-	1
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007: 30%)	-	-
Effects of:-		
Expenses not deductible	-	-
Adjustments in respect of prior periods	-	-
Current tax (credit)/charge for the year	-	-

There are no provided or unprovided tax timing differences.

### 5 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Amounts due to other group undertakings	22,407	22,407

Amounts due to other group undertakings represent amounts advanced to the company by East Midlands Electricity Distribution plc and Npower Yorkshire Limited, in equal amounts. The amounts are repayable on demand subject to the company being able to settle its other creditors as they fall due, as described in note 1 to the financial statements.

# Homepower Retail Limited

## Notes to the financial statements for the year ended 31 December 2008 (continued)

### 6 Called up share capital

	2008	2007
	£'000	£'000
Authorised:		
50,000,000 ordinary E shares of £1 each	50,000	50,000
50,000,000 ordinary Y shares of £1 each	50,000	50,000
	100,000	100,000
Allotted and fully paid:		
15,500,000 ordinary E shares of £1 each	15,500	15,500
15,500,000 ordinary Y shares of £1 each	15,500	15,500
	31,000	31,000

Both the E and Y ordinary shares carry the same voting rights, the same rights to dividends, the same redemption rights and have the same unlimited rights to share in a surplus remaining on a winding up.

### 7 Reserves

	Profit and loss reserve
	£'000
At 1 January 2008	(53,367)
Result for the financial year	-
At 31 December 2008	(53,367)

## Homepower Retail Limited

### Notes to the financial statements for the year ended 31 December 2008 (continued)

#### 8 Reconciliation of movements in shareholders' deficit

	2008	2007
	£'000	£'000
Profit for the financial year	-	1
Opening shareholders' deficit	(22,367)	(22,368)
Closing shareholders' deficit	(22,367)	(22,367)

#### 9 Ultimate parent undertaking

The company is controlled equally by Utility Debt Services Limited and Scarcroft Investments Limited.

The ultimate parent undertaking and controlling party of Utility Debt Services Limited is E.ON, Westwood Way, Westwood Business Park, Coventry, CV4 8LG, UK and the ultimate parent undertaking and controlling party of Scarcroft Investments Limited is RWE AG, Opernplatz 1, D-45128, Essen, Germany (RWE AG's website address is <http://www.rwe.com>).