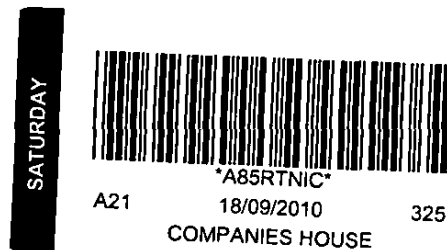


Homepower Retail Limited

Directors' report and financial statements for the year ended 31 December 2009

Registered number 2806999



Homepower Retail Limited

Directors' report and financial statements for the year ended 31 December 2009

	Page
Directors' Report for the year ended 31 December 2009	1
Independent auditors' report to the members of Homepower Retail Limited	3
Balance sheet as at 31 December 2009	4
Notes to the financial statements for the year ended 31 December 2009	5

Homepower Retail Limited

Directors' report for the year ended 31 December 2009

The Directors present their report and the audited financial statements for the year ended 31 December 2009

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 company had no activities in the year or prior year, consequently no profit or loss was generated in the year or prior year.

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 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 elected to prepare 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,
- 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. 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.

In the case of each director in office at the date the Directors' report is approved under Section 418 of the Companies Act 2006, 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 the 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.

Homepower Retail Limited

Directors' report for the year ended 31 December 2009 (continued)

Going concern

The company has ceased trading. In accordance with the requirements of the Companies Act 2006 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.

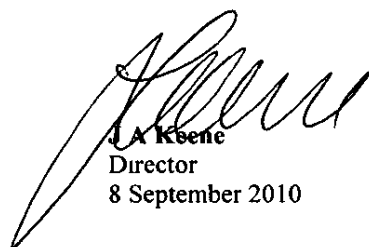
The Directors of both RWE npower plc and E.ON UK plc, the intermediate parent companies, have indicated their willingness to continue to provide financial support to the company for the foreseeable future, at least one year from the date of approval of these financial statements, sufficient for the company 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 418 of the Companies Act 2006, 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
8 September 2010

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 2009 which comprise the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result 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

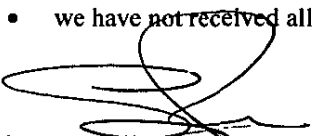
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stephen Rowe (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
8 September 2010

Homepower Retail Limited

Balance sheet as at 31 December 2009

	Notes	2009 £'000	2008 £'000
Current assets			
Cash at bank and in hand		40	40
		40	40
Creditors: amounts falling due within one year	3	(22,407)	(22,407)
Total assets less current liabilities		(22,367)	(22,367)
Net liabilities		(22,367)	(22,367)
Capital and reserves			
Called up share capital	4	31,000	31,000
Profit and loss reserve	5	(53,367)	(53,367)
Total shareholders' deficit	6	(22,367)	(22,367)

The financial statements on pages 4 to 7 were approved by the board of Directors on 1 September 2010 and signed on its behalf by



J A Keene
Director

Homepower Retail Limited
Registered number 2806999

Homepower Retail Limited

Notes to the financial statements for the year ended 31 December 2009

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 2006 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 npower plc and E.ON UK plc, the intermediate 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.

Homepower Retail Limited

Notes to the financial statements for the year ended 31 December 2009

2 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 (2008: £nil).

One Director (2008: one) is a member of a defined benefit pension scheme.

There were no employees other than Directors (2008: nil).

3 Creditors: amounts falling due within one year

	2009	2008
	£'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.

4 Called up share capital

	2009	2008
	£'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

Homepower Retail Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

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

5 Profit and loss reserve

	Profit and loss reserve
	£'000
At 1 January 2009	(53,367)
Result for the financial year	-
At 31 December 2009	(53,367)

6 Reconciliation of movements in shareholders' deficit

	2009	2008
	£'000	£'000
Results for the financial year	-	-
Opening shareholders' deficit	(22,367)	(22,367)
Closing shareholders' deficit	(22,367)	(22,367)

7 Ultimate parent undertaking and controlling parties

The company is controlled equally by Powergen Weather Limited, and Scarcroft Investments Limited

The ultimate parent undertaking and controlling party of Powergen Weather Limited is E ON AG plc, E ON-Platz 1, 40479 Dusseldorf, Germany (E ON AG's website address is <http://www.eon.com>)

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>)