

**Registration No. 04558469**

**Impello Limited**  
**Report and financial statements**  
**For the year ended 31 December 2021**



**Impello Limited**  
**Report and financial statements**  
For the year ended 31 December 2021

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**Impello Limited**  
**Report and financial statements**  
For the year ended 31 December 2021

**Officers and professional advisers**

**Company Registration Number**

04558469

**Directors**

C A Crooks  
N M Humphrey

**Secretary**

M V Henchley

**Registered Office**

Shell Energy House  
Westwood Business Park  
Coventry  
CV4 8HS

**Bankers**

Barclays Bank Plc  
1 Churchill Place  
London  
E14 5HP

**Auditor**

Ernst & Young LLP  
Statutory Auditor  
No.1 Colmore Square  
Birmingham  
B4 6HQ

## **Impello Limited**

### **Strategic report**

**For the year ended 31 December 2021**

The Directors present their strategic report on Impello Limited (also referred to as the "Company") for the year ended 31 December 2021.

The Company is one of the entities within the "Shell Group". In this context the term "Shell Group" and "Companies of the Shell Group" or "Group companies" means companies where Shell plc (formerly Royal Dutch Shell plc), either directly or indirectly, is exposed to, or has rights to, variable returns from its involvement with the Company and has the ability to affect those returns through its power over the Company. Companies in which Group companies have significant influence but not control are classified as "Associated companies". Shell plc, a company incorporated in England and Wales, is known as the "Parent Company" of the Shell Group. In this Report "Shell", "Shell Group" and "Shell plc" are sometimes used for convenience where references are made to Shell plc and its subsidiaries in general. These expressions are also used where no useful purpose is served by identifying the particular company or companies.

#### **Business review**

The principal activity of Impello Limited is as an intermediate holding company which holds investments in subsidiary undertakings engaged in the supply of electricity, gas and telecommunications services to domestic and commercial customers within the United Kingdom and Germany.

The Company's loss for the financial year was £96,652,000 (2020: loss of £121,559,000).

The Directors consider that the year-end financial position of the Company was satisfactory.

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

The Shell Group has a single risk-based control framework – The Shell Control Framework – to identify and manage risks. The Shell Control Framework applies to all wholly owned Shell companies and to those ventures and other companies in which Shell plc has directly or indirectly a controlling interest. From the perspective of the Company, the principal risks and uncertainties affecting the Company are considered to be those that affect the Shell Group. Accordingly, the principal risks and uncertainties of the Shell Group, which are discussed on pages 22 to 33 of Shell's Annual Report for the year ended 31 December 2021 (the "Group Report"), include those of the Company. The Group Report does not form part of this report.

#### **Performance monitoring - Key performance indicators ("KPI")**

The Company acts as an intermediate holding company and given the nature of its activities the directors do not consider it to have any financial or non-financial key performance indicators.

#### **Going concern**

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Company can continue in operational existence over a period of over 12 months from the date of approval of the financial statements (the 'going concern period'). The Directors have considered the potential risks and uncertainties relating to COVID-19 on the Company's business, credit, market, and liquidity position.

In assessing the going concern position of the company for the year ended 31 December 2021, the Directors have considered the company's cash flows, liquidity and likely business activities over the going concern period. In making their assessment, the Directors note the limited and predictable nature of the company's liabilities and cash outflows in its role as a holding company.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and the financial statements have therefore been prepared under the going concern basis.

#### **Section 172(1) statement**

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company.

This Section 172 Statement, explains how the Directors have acted in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

**Impello Limited**  
**Strategic report (continued)**  
For the year ended 31 December 2021

**Section 172(1) statement (continued)**

- the likely consequences of any decision in the long term and the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- employee interests, the need to foster the Company's business relationships with suppliers, customers, and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

Ahead of matters being put to the Company Board for consideration, significant levels of engagement are often undertaken by the broader business ahead of many of Shell projects or activities. This engagement is often governed by formulated policies, control frameworks, regulation, legislation and may differ by region. Dependent on the project or activity, Board members may participate in this engagement.

The Company is a member of the Shell Group, an organisation which follows a highly developed and formalised governance and oversight framework, which includes but is not limited to Group policies such as the Shell General Business Principles (which sets out the Shell Group's responsibilities to shareholders, customers, employees, business partners and society) and the Shell Code of Conduct.

The strategy of the Company is considered to be derived from those of the Shell Group, which is discussed on pages 10 - 15 of the Shell plc 2021 Annual Report. The Shell Group internally organises its activities principally along business and function lines but transacts its business through legal entities. This organisation structure is designed to achieve Shell's overall business objectives, whilst respecting the separate legal identity of the individual Shell companies through which it is implemented and the independence of each legal entity's Board of Directors.

**Principal Decisions**

We define Principal decisions taken by the Board as those decisions in 2021, that are of a strategic nature and/or that are significant to any of our key stakeholder groups.

To remain concise, we have categorised our key stakeholders into six groups. Where appropriate, each group is considered to include both current and potential stakeholders.

**Key stakeholder groups**

- A. Shareholders
- B. Employees/Workforce/Pensioners
- C. Regulators/Governments/NGOs
- D. Communities
- E. Customers
- F. Suppliers /Strategic Partners

**Principal Decisions in 2021**

Upon review of the Board activity in 2021 we have determined that no principal decisions were taken by the Board during the year under review. All matters considered by the Board were either standing board updates or the approval of administrative matters

**Approval**

This report was approved by the Board of Directors and signed on its behalf by:



C A Crooks  
Director

Impello Limited  
25 November 2022

## **Impello Limited**

### **Directors' report**

For the year ended 31 December 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

The Directors' report and audited financial statements of the Company have been prepared in accordance with the Companies Act 2006.

#### **Dividends**

No dividends were paid during the year (2020: nil).

#### **Future Outlook**

No significant change in the business of the Company or of its subsidiary undertakings has taken place during the year or is expected in the immediately foreseeable future. The Company is a holding company and there are no immediate plans to liquidate the Company. The Directors believe that the balances held will be realised at their reported carrying value in the normal course of business and so the financial statements continue to be prepared on a going concern basis.

#### **Directors of the Company**

The Directors of the Company who served during the year and to the date of this report (except as noted) were as follows:

C A Crooks  
R J Henderson (resigned 18 January 2022)  
N M Humphrey

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Financial risk management**

The Company's Directors are required to follow the requirements of Shell Group risk management policies, which include specific guidelines on the management of market, credit and liquidity risk, and advice on the use of financial instruments to manage them. Shell Group risk management policies can be found in the Group Report (see pages 202 to 204 and note 20).

#### **Streamlined Energy and Carbon Reporting**

The directors are aware of the requirements for large UK companies to report on their UK energy use and carbon emissions. The company's energy usage and greenhouse gas emissions form part of the overall Shell Group results. The climate change and energy transition strategy and disclosures are discussed on pages 75 to 98 of the Group Report with greenhouse gas emissions and energy usage being set out on pages 97 to 98.

#### **Events after the end of the reporting period**

In the period since the year-end and the date of signing the accounts, the Company has issued 620,000 ordinary shares having an aggregate nominal value of £6,200 which were allotted for an aggregate consideration of £260,000,000.

**Impello Limited**  
**Directors' report (continued)**  
For the year ended 31 December 2021

**Statement of Directors' responsibilities**

The Directors acknowledge their responsibilities for preparing the Strategic report, Directors' report and the Company's financial statements in accordance with applicable laws 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

**Disclosure of information to the auditor**

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 auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

**Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board



C A Crooks  
Director  
Impello Limited

25 November 2022

Shell Energy House  
Westwood Business Park  
Coventry  
CV4 8HS

## Independent Auditor's report to the member of Impello Limited

### Opinion

We have audited the financial statements of Impello Limited for the year ended 31 December 2021 which comprise the Profit and Loss account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period until December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.



## **Independent Auditor's report to the member of Impello Limited (continued)**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5; the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

### **Auditor's 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 auditor's 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.

### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

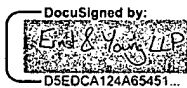
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK GAAP, including FRS 101 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was susceptibility to fraud. We understood the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Due to the nature of the company and its limited level of activity, we identified limited areas where the risk of fraud was considered to be higher, but where this is the case, we performed audit procedures to address the identified risk.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations, enquiries of management and performing testing of journals.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **Independent Auditor's report to the member of Impello Limited (continued)**

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Gittens (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham, UK

Date: 28 November 2022

**Impello Limited**  
**Profit and loss account**  
For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Amounts provided against investments	6	(96,649)	(121,559)
<b>LOSS BEFORE INTEREST AND TAXATION</b>	4	(96,649)	(121,559)
Interest payable and similar charges		(1)	-
<b>LOSS BEFORE TAXATION</b>		(96,650)	(121,559)
Tax on loss for the year	5	(2)	-
<b>LOSS FOR THE YEAR</b>		(96,652)	(121,559)

All amounts relate to continuing activities.

The loss for the current year and the prior year are equal to the total comprehensive income and accordingly a statement of comprehensive income has not been presented.

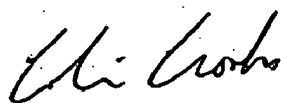
The notes on pages 12 to 19 form part of these financial statements.

**Impello Limited**  
**Balance sheet**  
 As at 31 December 2021  
 Company number: 04558469

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	6	128,772	122,421
<b>Current assets</b>			
Debtors	7	2,906	2,909
<b>Total assets</b>		131,678	125,330
<b>Net current assets</b>		2,906	2,909
<b>Total assets less current liabilities</b>		131,678	125,330
<b>Net assets</b>		131,678	125,330
<b>Equity</b>			
Share capital account	8	207	206
Share premium account	9	380,210	277,211
Other reserves		1	1
Profit and loss account		(248,740)	(152,088)
<b>Total equity</b>		131,678	125,330

These financial statements were approved by the Board of Directors and authorised for issue on 25 November 2022.

Signed on behalf of the Board of Directors,



C A Crooks  
 Director

The notes on pages 12 to 19 form part of these financial statements.

**Impello Limited**  
**Statement of changes in equity**  
For the year ended 31 December 2021

	Share Capital £'000	Share Premium Account £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 January 2020</b>	204	58,213	1	(30,529)	27,889
Loss for the year	-	-	-	(121,559)	(121,559)
<b>Total comprehensive loss for the year</b>	-	-	-	(121,559)	(121,559)
Issue of share capital	2	218,998	-	-	219,000
<b>Balance at 31 December 2020</b>	206	277,211	1	(152,088)	125,330
Loss for the year	-	-	-	(96,652)	(96,652)
<b>Total comprehensive loss for the year</b>	-	-	-	(96,652)	(96,652)
Issue of share capital	1	102,999	-	-	103,000
<b>Balance at 31 December 2021</b>	207	380,210	1	(248,740)	131,678

The notes on pages 12 to 19 form part of these financial statements.

## **Impello Limited**

### **Notes to the financial statements**

For the year ended 31 December 2021

#### **1. General information**

The Company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of the registered office is Shell Energy House, Westwood Business Park, Coventry, CV4 8HS. The Company's registration number is 04558469.

#### **2. Significant accounting policies**

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, which involves the application of International Financial Reporting Standards ("IFRS") with a reduced level of disclosure. The financial statements have been prepared under the historical cost convention, except for certain items measured at fair value, and in accordance with the Companies Act 2006.

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.

##### **Going concern**

In determining the appropriate basis of preparation of the Financial Statements, the Directors are required to consider whether the Company can continue in operational existence over a period of over 12 months from the date of approval of the financial statements (the 'going concern period'). The Directors have considered the potential risks and uncertainties relating to COVID-19 on the Company's business, credit, market, and liquidity position.

In assessing the going concern position of the company for the year ended 31 December 2021, the Directors have considered the company's cash flows, liquidity and likely business activities over the going concern period. In making their assessment, the Directors note the limited and predictable nature of the company's liabilities and cash outflows in its role as a holding company.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and the financial statements have therefore been prepared under the going concern basis.

##### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

## **Impello Limited**

### **Notes to the financial statements**

For the year ended 31 December 2021

#### **2. Significant accounting policies (continued)**

##### **Foreign currency translation**

###### **(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pounds Sterling (£), which is also the Company's functional currency.

###### **(ii) Transaction and balances**

Income and expense items denominated in foreign currencies are translated into Pounds Sterling (£) at the rate ruling on their transaction date.

Monetary assets and liabilities recorded in foreign currencies have been expressed in Pounds Sterling (£) at the rates of exchange ruling at the year end. Differences on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in a foreign currency are translated using exchange rates at the date of the transaction. No subsequent translations are made once this has occurred.

##### **Financial instruments**

###### **Financial Assets**

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is determined by the contractual cash flows and where applicable the business model for managing the financial assets.

A financial asset is measured at amortised cost if the objective of the business model is to hold the financial asset in order to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Financial assets at amortised cost are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently the financial asset is measured using the effective interest method less any impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

All equity instruments and other debt instruments are recognised at fair value. For equity instruments, on initial recognition, an irrevocable election (on an instrument-by-instrument basis) can be made to designate these as at FVOCI (without recycling to profit and loss) instead of FVTPL. Dividends received on equity instruments are recognised as other income in profit or loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

###### **Impairment of financial assets**

The impairment requirements for expected credit losses are applied to financial assets measured at amortised cost, financial assets measured at FVOCI and financial guarantees contracts to which IFRS 9 is applied and that are not accounted for at FVTPL. If the credit risk on the financial asset has increased significantly since initial recognition, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses. In other instances, the loss allowance for the financial asset is measured at an amount equal to the twelve month expected credit losses (ECLs). Changes in loss allowances are recognised in profit and loss. For trade debtors that do not contain a significant financing component, the simplified approach is applied recognising expected lifetime credit losses from initial recognition.

## **Impello Limited**

### **Notes to the financial statements**

For the year ended 31 December 2021

#### **2. Significant accounting policies (continued)**

##### **Financial instruments (continued)**

###### **Financial liabilities**

Financial liabilities are measured at amortised cost, unless they are required to be measured at FVTPL, such as instruments held for trading, or the Company has opted to measure them at FVTPL. Debt and trade creditors are recognised initially at fair value based on amounts exchanged, net of transaction costs, and subsequently at amortised cost. Interest expense on debt is accounted for using the effective interest method and is recognised in income.

###### **Investment in subsidiaries**

These comprise investments in shares and loans that the Company intends to hold on a continuing basis. The investments in subsidiaries are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with IAS 36. Any impairments are recorded in the profit and loss account.

If, after an impairment loss has been recognised, the recoverable amount of an investment increases because of a change in economic conditions or in the expected use of the asset, the resulting reversal of the impairment loss is recognised in the current year to the extent that it increases the carrying amount of the fixed asset up to the amount it would have been had the original impairment not occurred.

###### **Netting off policy**

Balances with other companies of the Shell Group are stated gross, unless both of the following conditions are met:

- Currently there is a legally enforceable right to set off the recognised amounts; and
- There is intent either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **3. Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties.

##### **Impairment of investments**

The Company faces a risk of decline in the performance of its subsidiary undertakings impacting the carrying value of investments in subsidiaries. The company manages this risk through management focus on the operations of its trading subsidiaries.



# Impello Limited

## Notes to the financial statements

### For the year ended 31 December 2021

#### 2. Significant accounting policies (continued)

##### Disclosure exemptions

The following exemptions from the disclosure requirements of IFRS have been applied in the preparation of these financial statements, in accordance with IFRS 101, as comparable disclosures are included in the consolidated financial statements of the Company's ultimate parent, Shell plc:

1. Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
2. IFRS 7, 'Financial Instruments: Disclosures'
3. Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
4. Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1, 'Presentation of financial statements'
5. The following paragraphs of IAS 1, 'Presentation of financial statements':
  - (i) 10(d) (statement of cash flows);
  - (ii) 10(f) (a balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
  - (iii) 16 (statement of compliance with all IFRS);
  - (iv) 38A (requirement to present a minimum of two statements for each of the primary financial statements, including cash flow statements and related notes);
  - (v) 38B-D (additional comparative information);
  - (vi) 40A-D (requirements for a third balance sheet);
  - (vii) 11 (cash flow statement information); and
  - (viii) 134-136 (capital management disclosures)
6. IAS 7, 'Statement of cash flows'
7. Paragraph 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
8. Paragraph 17 and 18A of IAS 24, 'Related party disclosures' (key management compensation)
9. The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more wholly owned members of a group.

##### Consolidation

The financial statements contain information about Impello Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Shell plc, a company incorporated in England and Wales.

The immediate parent company is The Shell Petroleum Company Ltd.

The ultimate parent company and controlling party is Shell plc, which is incorporated in England and Wales. Shell plc is the parent undertaking of the smallest and largest group to consolidate these accounts.

The consolidated accounts of Shell plc are available from:

Shell plc  
Tel: +44 800 731 8888  
email: [order@shell.com](mailto:order@shell.com)  
Registered office: Shell Centre, London, SE1 7NA

## **Impello Limited**

### **Notes to the financial statements**

For the year ended 31 December 2021

#### **2. Significant accounting policies (continued)**

##### **Income from shares in subsidiary undertakings**

Income from shares in subsidiary undertakings recognised in profit or loss represents dividends relating to the current year and prior periods, provided that the dividends have been approved by the subsidiary company and that the Company's right to receive the dividends is established.

##### **Taxation**

Tax is recognised in profit or loss, except that tax attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income or directly in equity.

##### **Current tax**

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 for tax payable to HM Revenue and Customs, or for group relief to surrender to or to be received from other Group undertakings, and for which payment may be requested.

##### **Deferred tax**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised when, on the basis of the most recent available evidence, it is regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets against deferred tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Amounts relating to deferred tax are undiscounted.

## Impello Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 4. Loss before taxation

The Company had no employees during 2021 (2020: none).

None of the Directors received any emoluments (2020: none) in respect of their services to the Company as their role is incidental to their wider rôle in the group.

Auditor's remuneration of £5,000 (2020: £4,000) in respect of the statutory audit is borne by another group company for both the current and preceding years.

Fees paid to the Company's auditor and its associates for non-audit services to the Company itself are not disclosed in the individual financial statements of the Company because the Shell plc consolidated financial statements are required to disclose such fees on a consolidated basis.

#### 5. Taxation

##### (a) Tax charge included in profit or loss

The current and deferred tax charge for the year is £2,000 (2020: £nil).

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

##### (b) Reconciliation of total tax charge

The charge for the year can be reconciled to the loss (2020: loss) on ordinary activities before tax as follows:

	2021 £'000	2020 £'000
Loss before tax	(96,650)	(121,559)
Tax on loss at the standard rate of corporation tax in the UK of 19% (2020: 19%)	(18,364)	(23,096)
Effects of:		
Expenses not deductible	18,364	23,096
Adjustments to tax charge in respect of prior years	2	-
Total tax on loss before tax	2	-

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The Finance Act 2021 (enacted on 24 May 2021) increased the main rate of UK corporation tax to 25% with effect from 1 April 2023.

##### (c) Unrecognised deferred tax asset

At the balance sheet date, the Company has unused tax losses of £4,360,000 (2020: £4,360,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses (2020: £nil).

## Impello Limited

### Notes to the financial statements

For the year ended 31 December 2021

#### 6. Investments

##### Investments in subsidiaries

##### Cost

At 1 January 2021

Additions during the year

At 31 December 2021

##### Amounts provided

At 1 January 2021

Amounts provided on investments during the year

At 31 December 2021

##### Carrying amount

At 31 December 2021

At 31 December 2020

£'000

277,516

103,000

380,516

155,095

96,649

251,744

128,772

122,421

During the year the Company increased its investment in its subsidiary company Shell Energy Retail Limited by £103,000,000 (2020: £219,000,000).

The investments in subsidiaries are all stated at cost less provision for impairment.

The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. During the year the Company has undertaken an impairment review of its investment of Shell Energy Retail Limited.

The review involves assessing whether the carrying value of the investment exceeds the amount that could be received through use or selling the asset. An impairment loss is recognised to the extent that the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount where the recoverable amount of the asset is the higher of its fair value less costs to sell and its value in use.

Based on the impairment testing the Directors consider that it is appropriate to make an impairment provision relating to the carrying value of the investment of £96,649,000 in 2021 (2020: £121,559,000).

Details of the Company's subsidiaries at 31 December 2021 are as follows:

Name of subsidiary	Registered address	Country of incorporation	Principal activity	Description of shares	% held
Shell Energy Retail Limited	Shell Energy House, Westwood Business Park, Coventry, CV4 8HS	England and Wales	Provision of electricity, gas and broadband	Ordinary	100
First Telecommunications Limited	As above	England and Wales	Dormant	Ordinary	100
First Utility Limited	As above	England and Wales	Dormant	Ordinary	100
Shell Energy UK Limited *	As above	England and Wales	Provision of electricity and gas	Ordinary	100
Shell Energy Retail GmbH *	Suhrenkamp 71 – 77, D-22335, Hamburg, Germany	Germany	Provision of electricity and gas	Ordinary	100
Shell Energy Retail Poland Sp. z o.o.*	Pawia 21, 31-154, Kraków, Poland	Poland	Business operations	Ordinary	100

(\* indicates indirect investment of the Company.)

**Impello Limited**  
**Notes to the financial statements**  
For the year ended 31 December 2021

**7. Debtors**

Amounts falling due within one year:

	2021 £'000	2020 £'000
Other debtors	8	10
Amounts owed by Group undertakings		
- Subsidiary undertakings	2,898	2,899
	<u>2,906</u>	<u>2,909</u>

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

**8. Share capital**

	Allotted, called up and fully paid			
	2021 Number '000	2020 Number '000	2021 £'000	2020 £'000
Ordinary shares of £0.01 (2020: £0.01) each	<u>20,711</u>	<u>20,608</u>	<u>207</u>	<u>206</u>

**New shares allotted**

During the year 103,000 ordinary shares of £0.01 each having an aggregate nominal value of £1,030 were allotted for an aggregate consideration of £103,000,000.

The proceeds are allocated to share capital with any excess being recorded as share premium.

**9. Share premium**

The share premium arising on the issue of equity shares in the year is explained in note 8.

**10. Events after the end of the reporting period**

In the period since the year-end and the date of signing the accounts, the Company has issued share capital as follows:

- On 14 February 2022 19,800 ordinary shares having an aggregate nominal value of £198 which were allotted for an aggregate consideration of £19,800,000.
- On 25 March 2022 177,000 ordinary shares having an aggregate nominal value of £1,770 which were allotted for an aggregate consideration of £177,000,000.
- On 19 May 2022 23,555 ordinary shares having an aggregate nominal value of £236 which were allotted for an aggregate consideration of £23,555,000.
- On 25 August 2022 400,000 ordinary shares having an aggregate nominal value of £4,000 which were allotted for an aggregate consideration of £40,000,000.