

Registration number: 09850654

# PS Energy UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

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**PS Energy UK Limited**  
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## PS Energy UK Limited

### Strategic Report for the year ended 31 December 2021

The director presents his Strategic Report on PS Energy UK Limited ("the Company") for the year ended 31 December 2021.

#### Business review and future developments

The Company ceased trading in 2021 following the completion of the migration of customers to E.ON UK. The Company is in the process of being wound up and will be dissolved in due course.

The Company forms part of the npower Retail Group which consisted of 5 main trading entities and 3 other entities during 2021. The 5 main trading entities operated in varying business areas, namely:

- Home - residential customers
- npower Business - small and medium enterprise customers
- npower Business Solutions - industrial and commercial customers

The business areas in which each trading entity operates are detailed below:

Legal entity	Business area			
	Home	npower Business	npower Business Solutions	Other
Npower Limited	X		X	
Npower Northern Limited*	X	X		
Npower Yorkshire Limited*	X			
Npower Gas Limited*	X			
Npower Commercial Gas Limited			X	
Plus Shipping Services Limited**	X			
PS Energy UK Limited*	X			
Npower Business and Social Housing Limited***				X

\* Ceased trading in 2021

\*\* Sold to E.ON UK plc during 2021

\*\*\* Ceased trading in 2016

The directors of the Company do not primarily focus their management of the activities of the Company on a legal entity basis. Instead business performance is monitored and assessed at a business area level, which when aggregated covers all of the npower Retail Group's commercial activities in the UK. Therefore the Business Review below represents the directors' assessment of the npower Retail Group as a whole.

The underlying operating profit for this group of companies was £13 million in 2021 (2020: loss of £144 million).

## **PS Energy UK Limited**

### **Strategic Report for the year ended 31 December 2021 (continued)**

#### **General**

On 29th November 2019, it was announced that customers of npower Retail Group's Home and npower Business segments would transfer to E.ON UK systems commencing Q2 2020. The transfer of these customers was formalised in a Sale and Purchase Agreement (SPA) on 11th February 2020. The migration was successfully concluded in Q2 2021.

The migration of customers to E.ON UK resulted in the closure of the operational segments for the Home and npower Business with related office closures and the loss of around 4,500 employees, the final elements of the wind down of operations are expected to last into 2022. The npower Retail Group offers enhanced redundancy terms which will continue to apply for those employees who are made redundant as part of this process.

The npower Business Solutions segment merged with E.ON's Industrial and Commercial (I&C) segment during 2021. Npower Business Solutions customers have been fully migrated to the new billing platform and the business has been hived down entirely to Npower Commercial Gas Limited (NCGL), a direct subsidiary of Npower Limited, in the first half of 2021. The customers of E.ON I&C are being purchased by and transferred into NCGL during the period Q4 2021 to Q2 2022.

Npower Limited will continue to employ staff working in the merged I&C business to be recharged to NCGL, the trading of Npower Limited will however substantially cease in 2022 and Npower Limited will wind down its operations by Q4 2022.

#### Coronavirus / Covid-19

The global spread of the coronavirus and the measures taken to control it substantially limited economic activity over the course of 2021 across the globe and, in turn, the United Kingdom. The net adverse financial impact across the npower Retail Group amounted to more than £5m which primarily related to reduced sales volumes and increased bad debt charges, these downsides were partly offset by commodity hedge sellbacks due to market rates higher than original purchase prices.

#### Business Transfer Agreement

During 2021, the residual trading liabilities of the Company were sold at book value of £7k into Npower Limited in order to prepare the Company for dormancy and ultimate liquidation.

The Business Transfer Agreement between Npower Limited and the Company ensured future rights and obligations of the Company were also transferred to Npower Limited and since this agreement remains in place, the economic risk and reward remains with Npower Limited.

In connection with the transfer of the residual trading balances, refinancing of the intercompany loans was undertaken to ensure the solvency of the Company in compliance with the Companies Act. The Company received a loan waiver of £63,272k from Npower Group Limited to ensure solvency prior to the sale of the residual trading balances.

Thus, for the purpose of producing statutory accounts, the company shows no assets or liabilities at 31st December 2021 other than an intercompany debtor with Npower Limited equal to the value of called up share capital of £1 and files accounts on this basis.

## **PS Energy UK Limited**

### **Strategic Report for the year ended 31 December 2021 (continued)**

#### **Home**

2021 npower Home financial results were materially influenced by the completion of the migration of the customer base to E.ON UK and the unwinding of the associated balance sheet. The priorities for npower Home in 2021 were to achieve migration delivery targets whilst maintaining good customer service, remaining compliant with regulatory requirements and delivering its smart meter obligations. Through this journey, the health and safety of employees and customers has been at the forefront; not only to contribute to a sustainable future E.ON UK business, but also to navigate through the challenges brought by the Covid-19 pandemic.

From the point of agreed migration to E.ON UK in February 2020, all tariffs were aligned with E.ON UK and sales activity was gradually wound down or transferred to E.ON UK's platform. Following a successful pilot, account transfer activity ramped up from Autumn 2020 until successful completion in Q2 2021. System close down and data archiving commenced in Q2 2021 with completion expected during Q2 2022.

Looking ahead, the priority for 2022 remains the successful completion of decommissioning of IT systems and the closure of npower sites.

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

The Company's profit for the financial year ended 31 December 2021 was £67.7m (2020: loss of £47.7m). The net assets of the Company at 31 December 2021 were £1 (2020: net liabilities of £67.7m).

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

The management of the business and the execution of the Company's strategy are subject to a number of risks. These risks are not managed on a legal entity basis, but overseen for the npower Retail Group, of which this Company belongs, as part of the enterprise risk management process of E.ON UK. The npower Retail Group continues to invest in a formal, regular risk assessment process to identify, monitor and mitigate as far as possible any risk that should arise. Risks specific to npower Retail Group are reviewed by the Chief Financial Officer of npower, prior to formal review by the E.ON UK Risk Committee; this takes place on a quarterly basis and actions are taken as appropriate.

The key business risk affecting the npower Retail Group is the competitive retail market which could impact the Company's ability to achieve its targets for customer numbers and/or gross margin per customer. The main external uncertainties faced are: the impact of energy efficiency initiatives, the strength of the economy and weather impacts on customer consumption; volatility in wholesale energy prices; and the level of network and environmental charges. Furthermore, the Company has a number of operational risks as part of its end-to-end processes. The Covid-19 pandemic increases the risks to the Company as set out above, and additionally increases the risks related to customers' ability to pay. Detailed discussions of these risks and opportunities, in the context of the E.ON SE Group as a whole are provided on pages 83 through 91 of the E.ON SE 2021 Annual Report, which is available in the investor relations section of the [eon.com](http://eon.com) website.

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

**PS Energy UK Limited**  
**Strategic Report for the year ended 31 December 2021 (continued)**

**Key performance indicators (KPIs)**

Due to the decision to cease trading and transferring of customers to E.ON UK, with the curtailing of activity around customer acquisitions, the directors of the Company have switched the focus of the Company to winding down activities and migrating customers. KPIs presented would therefore not be reflective of full year trading, as a result KPIs are not presented for the Company.

Approved by the director on 7 July 2022:



.....  
Mr D Baumber  
Director

## **PS Energy UK Limited**

### **Director's Report for the year ended 31 December 2021**

The director presents his report on the Company and the audited financial statements for the year ended 31 December 2021.

#### **Principal activities and going concern**

The principal activities of the Company are the marketing and supply of electricity, gas and related services to domestic consumers. In October 2020, it was announced that customer accounts of the Company would be fully migrated to E.ON Next Energy Limited (E.ON UK) systems, which successfully concluded in 2021.

The Company's operational activities ceased during 2021 as its customers were fully migrated to E.ON UK, remaining liabilities were settled throughout 2021 with a view to winding up the Company in due course. Accordingly, the going concern basis of accounting is not appropriate and the financial statements have been prepared on a basis other than going concern. No further adjustments were necessary in these financial statements to reduce assets to their net realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets as current assets.

#### **Dividends**

The directors do not recommend the payment of a dividend (2020: £nil).

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

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Mr J Scagell (appointed 30 October 2021 and resigned 30 June 2022)

Mr S Stacey (resigned 2 January 2022)

Mr D Winter (resigned 30 October 2021)

The following director was appointed after the year end:

Mr D Baumber (appointed 13 June 2022)

#### **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 period 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 period 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, which have resulted in these accounts being prepared on a basis other than going concern.

#### **Research and development**

The Company invests in the development of software to facilitate its business. Where software is capitalised it is treated as an intangible asset.

## **PS Energy UK Limited**

### **Director's Report for the year ended 31 December 2021 (continued)**

#### **Equal opportunities and diversity**

The npower Retail Group is committed to equal opportunity and diversity because of a sense of social responsibility and also because it makes sound business sense to tap into the wide-ranging knowledge and experience of individuals in all sectors of society. Through its commitment to valuing the talents of its employees, the npower Retail Group aims to ensure that it is able to compete in attracting and retaining high calibre employees with wide-ranging experience and is therefore able to respond positively and flexibly to change. Decisions to appoint, reward, train, develop and promote are taken based on skills and abilities, or demonstrated potential, merit and the requirements of the job. Employment decisions affecting both job applicants and employees with disabilities are made following any reasonable adjustments that may be necessary to ensure fair treatment. In addition, appropriate arrangements are made for training, career development and promotion of disabled persons employed by the npower Retail Group. If members of staff become disabled the npower Retail Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

#### **Financial risk management**

##### ***Capital management***

The Company's objectives, policies and processes for managing capital are consistent with those of the E.ON SE Group. Detailed discussions of these, in the context of the E.ON SE Group as a whole, are provided on page 83 to 91 of the E.ON SE 2021 Annual Report.

##### ***Credit risk***

The npower Retail Group of companies has a policy of requiring appropriate credit checks on customers prior to establishing credit terms and payment method. Credit insurance, security deposits and advance payments are arranged depending upon a combination of the credit rating and the projected annual spend. For all new customers with an annual spend in excess of predetermined limits, the Counterparty Risk Management function of E.ON SE is required to sign off the account prior to acceptance.

Cash at bank and in hand comprises cash in hand and deposits which are readily convertible to cash and are subject to insignificant risk of change in value or credit risk.

##### ***Liquidity risk***

The Company forms part of the Npower Group Limited treasury arrangements, which actively manages a mixture of finance to ensure that the group has sufficient liquid resources to manage its current and future operational requirements.

##### ***Commodity price risk***

The Company is exposed to commodity price risk as a result of its operations. The risk is actively managed through the application of appropriate techniques and methodologies in accordance with the Risk Management Policy of E.ON SE. These techniques and methodologies include the application of appropriate hedge policies, the measurement of commodity risks, the setting of approved transaction limits (together with the monitoring of compliance with the approved limits), and the reporting of unhedged positions. The hedge policies determine the timing of the purchase of physical forward contracts for power and gas to cover customers' supply requirements. Financial contracts may also be purchased to manage the impact of weather variations on customer demand.

The Directive and its application within the Company is kept under constant review to reflect changes in market and Company dynamics, together with the nature of products offered to the market.

During 2021, the Company ceased to trade and is no longer exposed to commodity price risk.

##### ***Securities price risk***

The Company has no significant exposure to equity securities price risk as it holds no material listed or other equity investments.

**PS Energy UK Limited**  
**Director's Report for the year ended 31 December 2021 (continued)**

**Financial risk management (continued)**

***Interest rate cash flow risk***

The Company has interest-bearing liabilities. Interest-bearing liabilities include loans from group undertakings. Interest on loans is fixed which minimises the interest rate risk faced by the Company.

During 2021, the Company ceased to trade and no longer has interest bearing assets or liabilities.

***General risk management***

As a subsidiary of E.ON SE, the Company complies with the relevant provisions of the German Law on Corporate Control and Transparency (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich), together with the German Stock Corporation Act (Aktiengesetz) and the German Commercial Code (Handelsgesetzbuch). Compliance is achieved within the Company through the application of a tri-partite system of three separate but supportive elements, namely a risk controlling/early warning system, an internal control system and an internal audit process.

**PS Energy UK Limited**  
**Director's Report for the year ended 31 December 2021 (continued)**

**Streamlined Energy and Carbon Reporting (SECR) for the year ended 31st December 2021**

Large unquoted companies are obliged to report their UK energy use and associated greenhouse gas emissions, relating to gas, electricity and transport fuel, as well as an intensity ratio and information relating to energy efficiency action, through their annual reports. The npower Retail Group has complied with the requirements on an individual company level where the emissions and energy use are contractually bound to the company reporting and also disclosed the energy use across the npower Retail Group as a whole. The reporting is shown in the tables below:

Company

Global GHG emissions and energy use for period 1 January 2020 to 31 December 2021	Current reporting year 2021	Comparison reporting year 2020
	UK and offshore	UK and offshore
Energy consumption used to calculate emissions (kWh)	0	28,899
Emissions from combustion of gas (Scope 1) tCO2e	0	0
Emissions from combustion of stationary sources (Scope 1) tCO2e	0	0
Emissions from combustion of fuel for transport purposes (Scope 1) tCO2e	0	0
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3) tCO2e	0	0
Emissions from purchased electricity (Scope 2, location-based) tCO2e	0	7
Total gross (Scope 1, 2 & 3) tCO2e	0	7
Total Floor area (m²)	2,138	2,138
Intensity ratio (gross Scope 1, 2 & 3) tCO2e/m²	0	0.003
Methodology	Data collected as part of a ISO 50001 Energy Management System in accordance with 2021 Government greenhouse gas conversion factors for company reporting. Data collated in line with GHG guidance.	
External verification and assurance	Certification to ISAE 3000 (limited assurance) by Ricardo Energy & Environment	
Energy Efficiency Action Taken:		
Due to the wind up of the npower Retail Group's estate and operations, PS Energy UK Limited has not had any operations or consumption that could contribute to Npower Limited's and Npower Group Limited's Carbon Footprint.		

**PS Energy UK Limited**  
**Director's Report for the year ended 31 December 2021 (continued)**

**Streamlined Energy and Carbon Reporting (SECR) for the year ended 31st December 2021 (continued)**

npower Retail Group

Global GHG emissions and energy use for period 1 January 2020 to 31 December 2021	Current reporting year 2021	Comparison reporting year 2020 (restated)
	UK and offshore	UK and offshore
Energy consumption used to calculate emissions (kWh)	7,374,895	19,706,977
Emissions from combustion of gas (Scope 1) tCO <sub>2</sub> e	653	607
Emissions from combustion of stationary sources (Scope 1) tCO <sub>2</sub> e	33	34
Emissions from combustion of fuel for transport purposes (Scope 1) tCO <sub>2</sub> e	0	2,225
Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (Scope 3) tCO <sub>2</sub> e	48	274
Emissions from purchased electricity (Scope 2, location-based) tCO <sub>2</sub> e	739	1,476
Total gross (Scope 1, 2 & 3) tCO <sub>2</sub> e	1,473	4,616
Intensity ratio (gross Scope 1, 2 & 3) tCO <sub>2</sub> e/m <sup>2</sup>	0.02	0.07
Restatement: the 2021 calculation methodology has changed since the 2020 SECR submission due to a switch from the EMA platform to using Mitie Energy's calculation. As such, the 2020 figures have been updated to reflect a consistent approach and fair comparison.		

## PS Energy UK Limited

### Director's Report for the year ended 31 December 2021 (continued)

#### STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT

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

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law, the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so (as explained in note 2, the director does not believe that it is appropriate to prepare these financial statements on a going concern basis).

The director is 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the director on 7 July 2022:



Mr D Baumber  
Director

**PS Energy UK Limited**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PS ENERGY UK LIMITED**

**Opinion**

We have audited the financial statements of PS Energy UK Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

**Fraud and breaches of laws and regulations - ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management/directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Company's management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is non-complex, volume supplied is supported by external data and prices are based on signed contracts with customers.

We did not identify any additional fraud risks.

**PS Energy UK Limited**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PS ENERGY UK LIMITED (continued)**

**Fraud and breaches of laws and regulations - ability to detect (continued)**

*Identifying and responding to risks of material misstatement due to fraud (continued)*

In determining the audit procedures, we took into account the results of our evaluation of the Company-wide fraud risk management controls. We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included cash journals posted to unusual accounts.

*Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery, employment law and Ofgem regulations, recognizing the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**PS Energy UK Limited**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PS ENERGY UK LIMITED (continued)**

**Strategic report and director's report**

The director is responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the director's report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

**Director's responsibilities**

As explained more fully in their statement set out on page 10, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**PS Energy UK Limited**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PS ENERGY UK LIMITED (continued)**

**The purpose of our audit work and to whom we owe our responsibilities**

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.



.....  
**Anna Barrell (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**

One, Snowhill  
Snow Hill Queensway Birmingham  
B4 6GH

7 July 2022

**PS Energy UK Limited**  
**Profit and Loss Account for the year ended 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Turnover	4	38,117	86,724
Cost of sales		<u>(31,001)</u>	<u>(79,611)</u>
Gross profit		7,116	7,113
Administrative expenses		(8,136)	(55,332)
Other operating income	5	<u>68,915</u>	<u>-</u>
Operating profit/(loss)	6	67,895	(48,219)
Interest payable and similar expenses	7	<u>(223)</u>	<u>(192)</u>
Profit/(loss) before taxation		67,672	(48,411)
Tax on profit/(loss)	11	<u>-</u>	<u>713</u>
Profit/(loss) for the financial year		<u>67,672</u>	<u>(47,698)</u>

The above results were derived from discontinued operations.

There are no further items which would be included in other comprehensive income so no separate statement of comprehensive income has been prepared.

The notes on pages 18 to 31 form an integral part of these financial statements.

**PS Energy UK Limited**  
**Balance Sheet as at 31 December 2021**

	Note	2021 £ 000	2020 £ 000
<b>Current assets</b>			
Debtors: Amounts falling due after more than one year	11	-	2,294
Debtors: Amounts falling due within one year	14	-	15,064
Cash at bank and in hand		-	129
		-	17,487
Creditors: Amounts falling due within one year	15	-	(82,832)
<b>Total assets less current liabilities</b>		-	(65,345)
Provisions for liabilities	17	-	(2,327)
<b>Net liabilities</b>		-	(67,672)
<b>Capital and reserves</b>			
Called up share capital	18	-	-
Profit and loss account		-	(67,672)
<b>Total shareholders' deficit</b>		-	(67,672)

The financial statements on pages 15 to 31 were approved by the director on 7 July 2022



Mr D Baumber

Director

PS Energy UK Limited registered company number: 09850654

The notes on pages 18 to 31 form an integral part of these financial statements.

**PS Energy UK Limited**  
**Statement of Changes in Equity for the year ended 31 December 2021**

	<b>Called up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total shareholders' deficit £ 000</b>
At 1 January 2021	-	(67,672)	(67,672)
Profit for the financial year	-	67,672	67,672
Total comprehensive income for the year	-	67,672	67,672
At 31 December 2021	-	-	-

	<b>Called up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total shareholders' deficit £ 000</b>
At 1 January 2020	-	(19,974)	(19,974)
Loss for the financial year	-	(47,698)	(47,698)
Total comprehensive expense for the year	-	(47,698)	(47,698)
At 31 December 2020	-	(67,672)	(67,672)

Called up share capital consists of funds raised by the Company issuing shares in return for cash or other consideration.

Profit and loss account represents the accumulated losses of the Company.

The notes on pages 18 to 31 form an integral part of these financial statements.

**PS Energy UK 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 in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Westwood Business Park

Westwood Way

Coventry

CV4 8LG

United Kingdom

On 1 January 2022, the address of the Company's registered office was changed from Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6PB.

**Principal activities and going concern**

The principal activities of the Company are the marketing and supply of electricity, gas and related services to domestic consumers. In October 2020, it was announced that customer accounts of the Company would be fully migrated to E.ON Next Energy Limited (E.ON UK) systems, which successfully concluded in 2021.

The Company's operational activities ceased during 2021 as its customers were fully migrated to E.ON UK, remaining liabilities were settled throughout 2021 with a view to winding up the Company in due course. Accordingly, the going concern basis of accounting is not appropriate and the financial statements have been prepared on a basis other than going concern. No further adjustments were necessary in these financial statements to reduce assets to their net realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets as current assets.

**2 Accounting policies**

**Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements were prepared under the historical cost convention.

The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 31 December 2021 on a basis other than going concern.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**2 Accounting policies (continued)**

**Summary of disclosure exemptions**

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101 Reduced Disclosure Framework:

- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations.
  - Paragraph 33(c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.
  - IFRS 7 Financial Instruments: Disclosures.
  - The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
  - Paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    - (i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements
    - (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment
    - (iii) paragraph 118(e) of IAS 38 Intangible Assets
  - The following paragraphs of IAS 1 Presentation of Financial Statements:
    - (i) 10(d)
    - (ii) 10(f)
    - (iii) 16
    - (iv) 38A
    - (v) 38B-D
    - (vi) 40A-D
    - (vii) 111
    - (viii) 134-136
  - IAS 7 Statement of Cash Flows.
  - Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
  - Paragraphs 17 and 18A of IAS 24 Related Party Disclosures.
  - The requirements in IAS 24 Related Party Disclosures, to disclose related party transactions entered into between two or more members of a group.
  - Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.
- Where required, equivalent disclosures are given in the group financial statements of E.ON SE. The group financial statements of E.ON SE are available to the public and can be obtained as set out in note 19.

## **PS Energy UK Limited**

### **Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

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

##### **New standards, amendments and IFRS IC interpretations**

There are no new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 have had a material impact on the company.

##### **Turnover**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have been transferred to the customer and the customer has control of these. The company's activities are described in detail below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Energy supply: the company supplies electricity, gas and related services to commercial and industrial customers. Turnover is recognised on the basis of energy supplied during the year, recognised over time per performance obligation fulfilled.

Turnover for energy supply activities includes an assessment of energy supplied to customers between the date of the last meter reading and the year end (known as unbilled revenue). Unread gas and electricity is estimated using historical consumption patterns, taking into account the industry reconciliation process for total gas and total electricity usage by supplier, and is included in accrued energy income within trade and other receivables. This methodology has been applied consistently for a number of years across a large, homogeneous customer base and therefore it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

Contract terms are assigned with the earliest date of the contract exit, however, for energy contracts, revenue is only recognised on transfer to the customer.

##### **Interest**

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

##### **Other operating income**

Credits arising on derecognition of intragroup loans are recognised as other operating income.

Income arising from the Sale and Purchase Agreement (SPA) between the npower Retail Group and E.ON UK in connection with the transfer of the domestic customer book is recognised in other operating income.

##### **Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**2 Accounting policies (continued)**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Intangible assets**

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probably future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised are part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

**Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**2 Accounting policies (continued)**

**Impairment of non-financial assets**

The Company's management reviews the carrying amounts of its fixed assets, which includes intangible assets and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss.

If the recoverable amount of an asset or income generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or income generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in the Profit and Loss Account.

The recoverable amount of an asset is based on its estimated value in use. Value in use is the present value of the future cash flows expected to be derived from use of the asset. The cash flow projections are based on future economic and market assumptions and forecast trading conditions drawn up by the Company's management as follows:

- Future market conditions and prices are based on detailed analysis and predictions based on the specific circumstances of the UK retail energy market
- Cash flow projections are based on management's approved long term business plan which incorporate the predictions of future market conditions above
- The cash flows obtained are discounted at a rate estimated to be appropriate for the retail energy business in the UK

Where an impairment loss subsequently reverses the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not exceeding the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised in the Profit and Loss Account.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and call deposits which are readily convertible to cash and are subject to an insignificant risk of changes in value.

**Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business or amounts due from group undertakings. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**2 Accounting policies (continued)**

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or amounts due to group undertakings. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**Provisions**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**Called up share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and the Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

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

**Basis of preparation - judgement**

The Company's operational activities ceased during 2021 and the Company is in the process of being wound up. Accordingly, the going concern basis of accounting is no longer appropriate and so the financial statements have been prepared on a basis other than going concern.

**4 Turnover**

The Company operates in one class of business, marketing and supply of electricity and related services, and in one geographical segment, the United Kingdom. The analysis of the Company's turnover for the year from continuing operations is as follows:

	2021	2020
	£ 000	£ 000
Sale of goods	38,098	86,600
Other revenue	19	124
	<u>38,117</u>	<u>86,724</u>

The Company has no contract assets or liabilities to disclose in respect of IFRS 15 for the 2021 financial year (2020: £nil).

**5 Other operating income**

The analysis of the Company's other operating income for the year is as follows:

	2021	2020
	£ 000	£ 000
Intercompany loan waiver	63,272	-
SPA other operating income	5,643	-
	<u>68,915</u>	<u>-</u>

**Intercompany loan waiver**

During 2021, the intermediate parent company Npower Group Limited waived all rights to the repayment of an inter-company loan facility with the Company, the credit arising on derecognition was £63m, for full disclosure see note 15.

**Sale and Purchase Agreement (SPA) other operating income**

During 2021, the Company sold its domestic customer book to E.ON UK for £5.6m.

**PS Energy UK Limited****Notes to the Financial Statements for the year ended 31 December 2021 (continued)****6 Operating profit/(loss)**

Operating loss is arrived at after charging:

	2021 £ 000	2020 £ 000
Depreciation expense	-	89
Amortisation expense	-	1,998
Low value lease expense - property	-	38
Impairment	-	19,368
Contractual termination costs	-	9,380

Full disclosure of the lease commitments are shown in the financial statements of the npower Retail Group company that legally holds the lease. Where use of such leases are shared across the group the lease costs are then recharged across the npower Retail Group as applicable.

**Impairment**

During 2020, the Company was subject to a strategic review which resulted in the decision to cease Company operations and integrate the existing customer base and some staff into E.ON UK. Due to the business is ceasing in 2021, the billing system was deemed to have no economic benefit. This resulted in an impairment charge of £18.9m. A further £0.5m recognised for tangible assets relating to the business activities of the Company.

**Contractual termination costs**

During 2020, the decision to cease trading resulted in the Company incurring £8.8m of costs in relation to contractual early termination fees payable to the billing system provider. A further £0.5m was recognised in relation to the termination of a property lease.

**7 Interest payable and similar expenses**

	2021 £ 000	2020 £ 000
Interest payable to group undertakings	223	192

**8 Staff costs**

The aggregate payroll costs (including directors' remuneration), were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	1,666	2,765
Social security costs	200	231
Other pension costs	23	43
Share-based payment expenses	-	10
	1,889	3,049

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**8 Staff costs (continued)**

The monthly average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Sales and administrative staff	<u>47</u>	<u>117</u>

**9 Directors' remuneration**

During the year aggregate emoluments of £181k were paid to the directors (2020: £107k) for their services to PS Energy UK. The directors also received compensation for loss of office of £92k (2020: £nil).

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under defined benefit pension scheme	2	2
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

The accrued pension entitlement of the directors under the defined benefit pension scheme at 31 December 2021 was £15,262 (2019: £13,997)

During the year no directors (2020: £nil) exercised share options in Innogy SE, the intermediate parent company, or E.ON SE, the ultimate parent company. None of the directors (2020: £nil) received or became entitled to receive aggregate cash payments in Innogy SE or E.ON SE under long-term incentive schemes in the financial year.

Further details of the nature and extent of share based payment arrangements have been disclosed in full within the financial statements of Npower Group Limited.

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	272,512	106,711
Benefits under long-term incentive schemes (excluding shares)	-	-
Defined benefit accrued pension entitlement at the end of the year	15,262	13,997
Defined benefit accrued lump sum at the end of the year	-	-

**10 Auditors' remuneration**

The audit fee for the year was borne by Npower Limited and not recharged to the Company, due to the cessation of trade during 2021 it was no longer possible to reallocate across the npower Retail Group on a reasonable and consistent basis (2020: PSE UK was charged £30k). No fees were paid to the auditors for non-audit services (2020: £nil).

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**11 Tax on loss**

Tax credited in the profit and loss account

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
Adjustments in respect of prior periods	-	(713)

The tax charge on loss before taxation for the year is lower than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit/(loss) before tax	67,672	(48,411)
Profit/(loss) before tax multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	12,858	(9,198)
Adjustment for prior periods	-	(713)
Expenses not deductible for tax purposes	43	37
Increase in current tax from unrecognised tax loss or credit	-	9,161
Group relief surrendered for no payment	194	-
Non-taxable income	(13,095)	-
Total tax credit for the year	-	(713)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

At the reporting date, PS Energy UK Limited had unused tax losses of £44,835,613 (2020: £47,632,981) upon which no deferred tax has been recognised. PS Energy UK Limited had no other gross unrecognised temporary differences (2020: £656,847).

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**12 Intangible assets**

	<b>Computer software</b>	<b>Intangible assets under construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost</b>			
At 1 January 2021	24,011	1,198	25,209
Disposals	(24,011)	(1,198)	(25,209)
At 31 December 2021	-	-	-
<b>Accumulated amortisation</b>			
At 1 January 2021	24,011	1,198	25,209
Disposals	(24,011)	(1,198)	(25,209)
At 31 December 2021	-	-	-
<b>Carrying amount</b>			
At 31 December 2021	-	-	-
At 31 December 2020	-	-	-

Intangible assets held in connection with the domestic retail business was disposed at book value during 2021.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**13 Property, plant and equipment**

	<b>Furniture, fittings and equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Cost or valuation</b>			
At 1 January 2021	656	-	656
Disposals	(656)	-	(656)
At 31 December 2021	-	-	-
<b>Accumulated depreciation</b>			
At 1 January 2021	656	-	656
Disposals	(656)	-	(656)
At 31 December 2021	-	-	-
<b>Carrying amount</b>			
At 31 December 2021	-	-	-
At 31 December 2020	-	-	-

Property, plant and equipment held in connection with the domestic retail business was disposed at book value during 2021.

**14 Debtors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Trade receivables	-	14,102
Amounts owed by group undertakings	-	420
Prepayments	-	388
Other receivables	-	154
	<u>-</u>	<u>15,064</u>

During 2021, the operating activities of the Company ceased. The residual trading balances, assets and liabilities of the Company were sold to Npower Limited in order to prepare the Company for dormancy and ultimate liquidation.

Trade receivables are stated after provisions for impairments of £nil (2020: £577k).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**15 Creditors: amounts falling due within one year**

	2021 £ 000	2020 £ 000
Loans owed to group undertakings	-	31,191
Trade payables	-	1,665
Amounts owed to group undertakings	-	10,284
Social security and other taxes	-	56
Accrued expenses	-	29,970
Deferred income	-	1,446
Other payables	-	8,220
	<u>-</u>	<u>82,832</u>

During 2021, the operating activities of the Company ceased. The residual trading balances, assets and liabilities of the Company were sold to Npower Limited in order to prepare the Company for dormancy and ultimate liquidation.

**Loans owed to group undertakings**

During 2021, the Company's immediate parent Npower Group Limited signed deeds to waive outstanding loans to its subsidiaries within the npower Retail Group, including the Company. The credit arising on derecognition of the loan to Npower Group Limited was £63m.

The book value and the associated principal amounts lent under this agreement at 31 December 2021 was £nil (2020: £31m). Loans owed to group undertakings are unsecured and at 31 December 2021 bore interest at a rate of 0.544% (2020: 0.544%). Loans owed by group undertakings also include accrued interest payable on the loan agreement.

**Loans owed to group undertakings (continued)**

Cash surpluses and deficits in each npower Retail Group company are swept on a daily basis and recognised as loans owed to/by group undertakings to minimise cash balances. Interest is calculated on a daily basis and interest rates reflect the overall cost of borrowing or deposit rates and are updated where required. All loans within this financing arrangement matured on 31 December 2021.

**Amounts owed to group undertakings**

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

**16 Pension and other schemes**

***Defined contribution pension scheme***

The Company operates a defined contribution pension scheme as employees are eligible to join the NEST defined contribution governmental pension scheme.

The pension cost for the year represents contributions payable by the Company to the scheme and amounted to £23k (2020: £43k).

There were no prepaid or accrued contributions at 31 December 2021 or 31 December 2020.

**PS Energy UK Limited**  
**Notes to the Financial Statements for the year ended 31 December 2021 (continued)**

**17 Provision for liabilities**

	<b>Restructuring</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
At 1 January 2021	2,327	2,327
Provisions utilised	(2,327)	(2,327)
At 31 December 2021	<u>-</u>	<u>-</u>

The restructuring provision represents the provision for redundancy and related costs in respect of business re-organisation which was announced publicly in October 2020. It also includes an element of costs relating to an onerous contract.

Provisions have not been discounted by the directors as the impact is not material.

**18 Called up share capital**

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

	<b>No.</b>	<b>2021</b>	<b>No.</b>	<b>2020</b>
		<b>£</b>		<b>£</b>
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**19 Controlling parties**

The ultimate parent company and controlling party is E.ON SE, a company incorporated in Germany, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of E.ON SE consolidated financial statements can be obtained from E.ON SE, Brüsseler Platz 1, 45131 Essen, Germany.

The Company is controlled by Npower Limited (the immediate parent), a company incorporated in the United Kingdom and registered in England and Wales.