

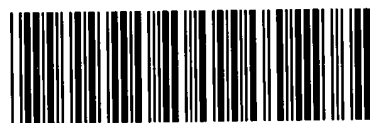
Registration number: 09965944

E.ON Energy Installation Services Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

TUESDAY



ABEF9RVC

A04

11/10/2022

#164

COMPANIES HOUSE

E.ON Energy Installation Services Limited

Strategic Report for the Year Ended 31 December 2021

The directors present their Strategic Report for the year ended 31 December 2021 for E.ON Energy Installation Services Limited ("the Company").

Fair review of the business

On 9 March 2021, it was agreed that the Company's ECO related installations business would be undertaken by a fellow group undertaking, E.ON Energy ECO Installations Limited, with effect from that date. No assets or liabilities were transferred.

On 29 November 2021, 2,000,000 ordinary shares of £1 each were issued to E.ON UK plc in exchange for cash.

Both the level of business during the year and the financial position of the Company at the year end have improved compared to the prior year. This improvement is mainly driven by increased demand. At 31 December 2021, the Company had net assets of £2,578,000 (2020: net assets of £1,751,000). Further information regarding the financial position of the Company at the year end is provided in the Directors' Report.

Key performance indicators ('KPIs')

The Board of Management of E.ON SE manages the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Customer Solutions UK division of E.ON SE, which includes the Company, are discussed within the group's annual report which does not form part of this report. The directors do not believe there are any further relevant KPIs that are not already disclosed within these financial statements.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to credit risk and inflation. The management of risks is undertaken at the E.ON SE consolidated ('group') level. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided within the financial review section of the group's annual report which does not form part of this report.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of E.ON SE, which include those of the Customer Solutions UK division of E.ON SE, which includes the Company, are discussed within the financial review section of the group's annual report which does not form part of this report.

Brexit

Britain has now left the European Union ('EU') and the transitional period ended on 31 December 2020. The European Union (Future Relationship) Act 2020 was passed on 30 December 2020, implementing the EU-UK Trade and Cooperation Agreement, which itself was approved by the European Parliament and the Council of the EU on 1 May 2021. The members of the cross functional working group continue to monitor any impact of Brexit on the activities of the Company as part of their roles.

E.ON Energy Installation Services Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

COVID-19

The Company's top priorities during the COVID-19 pandemic continues to be the safety of group colleagues and customers. The Company continues to focus on ensuring that boilers, solar panels and other solutions continue to be installed safely, even under these difficult conditions. The Company was able to draw on previously prepared pandemic and crisis plans, which it implemented accordingly. This has made it possible to maintain key functions whilst operating within the restrictions put in place by the Government, including strict adherence to hygiene and social-distancing rules. In addition, technicians who do field work, including the installation and maintenance of boilers, solar panels and other customer solutions, have special equipment to minimise the risk of infection. In many parts of the business, the Company has made arrangements for a proportion of the group employees to work from home, enabling the provision of customer services to continue.

In the sales business the main risks are change in price and reduction in volume.

Statement made under Section 172(1) of the Companies Act 2006 ('Act')

The directors acknowledge and understand their duties under the Act and in particular their duty to act in a way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the Company.

The directors regard a well-governed business as essential for the successful delivery of its principal activity. The Company is an indirect subsidiary of E.ON SE, a company listed on the Frankfurt Stock Exchange and which is head-quartered in Essen, Germany. The two main operating divisions of the E.ON SE group are Energy Networks and Customer Solutions.

The Company forms part of the Customer Solutions division of E.ON SE. The board of management of E.ON SE manages the group's operations on a global and divisional basis. The E.ON SE group has in place detailed policies and governance frameworks within which its subsidiaries must operate, including the Company. From the perspective of the directors, due to the E.ON SE group governance structure, the matters that they are responsible for considering under section 172(1) of the Act are also considered to an appropriate extent by the E.ON SE group management board in relation both to the E.ON SE group and the Company. The directors consider the factors detailed under section 172(1) of the Act are within the framework of the strategy set by the board of management of E.ON SE.

The Company's directors believe that, to the extent necessary for an understanding of the development, performance and position of the Company, the requirements of section 172(1) are discussed within the E.ON SE Annual Report 2021 on pages 23 to 162, which does not form part of this report.

The directors believe that effective and meaningful engagement with stakeholders is key to promoting the success of the Company. The Company's key stakeholders and how the Company has engaged with these stakeholders is set out below:

E.ON Energy Installation Services Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Employees

The Company has no employees but is recharged by E.ON UK plc for the services of certain employees. The Company ensures that E.ON UK plc has employment policies which are designed to attract, retain and motivate the very best people recognising that this can only be achieved through offering equal opportunities for all, irrespective of sex, race, marital status, age or disability. The employment practices and procedures of E.ON UK plc are regularly reviewed to ensure that they provide equality of opportunity to all employees within the current legislative framework. The employment policies of E.ON UK plc are discussed in further detail in the financial statements of E.ON UK plc, which do not form part of this report.

Shareholder group

As a wholly owned indirect subsidiary of E.ON SE, the protection of the shareholders' capital investment and a fair return on this investment is a prerequisite of its business activities. The Company seeks to preserve this capital and achieve fair returns on it in line with market conditions.

E.ON SE, as a listed entity and the ultimate parent undertaking of the Company, publishes company information in accordance with German and international capital markets provisions in order to enable proper trading in company securities.

At the same time, non-public information that could reasonably be expected to significantly affect the price of E.ON SE's securities must remain confidential until it is officially released and must not be used as the basis for decisions about buying or selling securities. All communications from E.ON SE are full, fair, accurate, timely and understandable. E.ON SE respects the professional independence of journalists and the media.

Only authorised persons are allowed to disclose information to the public, the media or to other third parties that could affect the price of E.ON SE's securities and the value of the E.ON SE group, including information relating to the Company.

Approved by the Board on 26 September 2022 and signed on its behalf by:



.....
S H Vaghela
Director

E.ON Energy Installation Services Limited
Registration No: 09965944
Westwood Way
Westwood Business Park
Coventry
England
CV4 8LG

E.ON Energy Installation Services Limited

Directors' Report for the Year Ended 31 December 2021

The directors present their Directors' Report and the audited financial statements of the Company for the year ended 31 December 2021.

Directors' of the Company

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

C J Lovatt

J Kirby

D R Newitt

R J Brooks (resigned 8 June 2022)

N P Dewbery (resigned 1 February 2022)

The following directors were appointed after the year end:

S H Vaghela (appointed 8 June 2022)

S L Farmer (appointed 1 February 2022)

Principal activity

The principal activity of the Company is the supply of energy efficiency measures including external wall insulation, heating and other energy related services and measures to residential and municipal customers.

Results and dividends

The Company's loss for the financial year is £ 1,173,000 (2020: loss of £6,524,000). No interim dividends were paid during the year (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

Financial risk management

Objectives and policies

The Company, in common with other E.ON SE subsidiaries, must comply with the E.ON SE group's finance guidelines that set out the principles and framework for managing group-wide finances. The Company also utilises the E.ON UK plc operational treasury team which services the treasury requirements of its business. Further information on the E.ON SE group's policies and procedures is available in the financial statements of the E.ON SE group.

E.ON SE has a central department that is responsible for financing and treasury strategy, policies and procedures throughout the E.ON SE group. Major strategic financing and corporate finance actions are planned and executed by the corporate finance team at E.ON SE. There is also a treasury team which co-ordinates currency and interest risk management as well as cash management for the whole E.ON SE group.

The Company operates its own specific treasury procedures within the overall E.ON SE treasury framework. The E.ON UK plc treasury team liaise closely with the Company to ensure that liquidity and risk management needs are met within the requirement of the E.ON SE group's policies and procedures.

E.ON SE's financing policy is to centralise external financing at the E.ON SE level and to reduce external debt in subsidiaries wherever possible. E.ON SE then funds its subsidiaries with inter-company finance. This finance may be in the form of equity or debt, as appropriate.

E.ON Energy Installation Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

The E.ON UK plc treasury team employs a continuous forecasting and monitoring process to ensure that the Company complies with all its banking and other covenants that apply to the financing of the UK business. This team works in close liaison with other E.ON companies operating within the UK, when considering hedging requirements related to their activities. A group-wide cash forecasting and currency exposure reporting process exists which ensures regular reporting into UK treasury of future positions, both short and medium term. Information is submitted to E.ON SE for incorporation into the E.ON SE group's forecasting processes on a weekly and quarterly basis.

The Company does not enter into speculative treasury arrangements. Accordingly, all transactions in financial instruments are matched to underlying business requirement, such as committed purchases or forecast funding requirements. Treasury activities are reviewed by internal audit on a regular basis.

Price risk, credit risk, liquidity risk and cash flow risk

Foreign exchange risk management

The Company operates within the framework of the E.ON SE group's guidelines for foreign exchange risk management. The Company's policy is to hedge all contractually committed operational exposures, as soon as the commitment arises. The Company will also partly hedge less certain cash flows when appropriate. The Company determines the hedging of translation exposures (the value of foreign currency liabilities and assets in the balance sheet) on a case by case basis in consultation with the E.ON Treasury department.

Interest rate risk management

The Company operates within the E.ON SE group's framework for interest rate risk management. The Company has a number of funding arrangements and is exposed to movements in interest rates. These interest rate exposures are managed primarily through the use of floating rate borrowings.

Credit risk management

The Company is subject to the E.ON SE group's finance policy which sets a credit limit for every financial institution with which the Company does a significant amount of business. The creditworthiness of the institutions with which the Company does significant business is established by the ratings they receive from external rating agencies including Moody's and Standard & Poor's. In addition, other counterparty credit risk is subject to the E.ON SE group's credit risk management policy supported by individual business unit policies to establish internal ratings for limit setting. Credit risk assessment involves quantitative and qualitative criteria including ratings by independent rating agencies where these are available.

Liquidity and cash flow risks

The Company has sufficient committed borrowing facilities to meet planned liquidity needs with headroom, through facilities provided by E.ON UK plc. The Company also has a bank overdraft facility to support daily liquidity management. The level of operating cash is affected by the performance of the business, market prices and margins amongst other things.

Political donations

No political donations were made during the year (2020: £nil).

Future developments

Further discussion of future developments is included in the Strategic Report.

E.ON Energy Installation Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Going concern

The directors have considered the Company's principal risks and uncertainties and concluded that the Company will have sufficient funds available under its current resources and committed facilities to continue to meet its liabilities as they fall due for at least 12 months from the date these financial statements are approved. These financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons:

- The Company is part of the E.ON SE group, one of the world's largest energy groups, and performs key business activities including installing boilers, solar panels and other customer solutions.
- The Company is a member of the UK cash pooling facility managed by E.ON SE, whereby the cash balance of the Company is swept into an inter-company bank account on a daily basis. To the extent that working capital requirements arise, these are met through access to the cash pooling facility. As at the date of approval of these financial statements, the Company had a net payable balance to that facility.
- The Company's parent, E.ON UK plc, has significant receivables from its immediate parent company. The immediate parent company has prepared a base case financial forecast covering the E.ON UK group companies ("the UK Group"), including the Company for at least 12 months from the date these financial statements are approved. These forecasts indicate that the UK Group will have sufficient funds available under its current resources and committed facilities to continue to meet its liabilities as they fall due.
- The ultimate UK parent company has also prepared a range of potential scenarios and in certain severe but plausible downside scenarios, under some of these scenarios the UK Group needs additional support from the ultimate holding company, E.ON SE, to meet its working capital requirements. The directors consider that in these circumstances, E.ON SE would have the ability and intention to provide funds such that the UK Group will continue to meet its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors of the Company are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements and therefore have prepared these financial statements on the going concern basis.

Directors' indemnities

The Company maintains liability insurance for its directors and officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This insurance cover was in force during the year and is still in force at the date of approving these financial statements.

Disclosure of information to the auditors

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

E.ON Energy Installation Services Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Reappointment of auditors

During the year PricewaterhouseCoopers LLP resigned as auditors and KPMG LLP was appointed to fill the causal vacancy arising. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 26 September 2022 and signed on its behalf by:



.....
S H Vaghela
Director

E.ON Energy Installation Services Limited
Registration No: 09965944
Westwood Way
Westwood Business Park
Coventry
England
CV4 8LG

E.ON Energy Installation Services Limited

Statement of Directors' Responsibilities in respect of the Annual Report

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare these 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 directors must not approve these financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in these 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.

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 these 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 Board on 26 September 2022 and signed on its behalf by:



.....
S H Vaghela
Director

E.ON Energy Installation Services Limited

Independent Auditors' Report to the Members of E.ON Energy Installation Services Limited

Opinion

We have audited the financial statements of E.ON Energy Installation Services Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Statement of Comprehensive Income, 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom (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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and,

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

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:

E.ON Energy Installation Services Limited

Independent Auditors' Report to the Members of E.ON Energy Installation Services Limited (continued)

- Enquiring of directors and inspection of policy documentation as to the Company'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, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and

- the risk that revenue to third parties is overstated through recording revenues on unbilled revenue in debtors at year end.

We did not identify any additional fraud risks.

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 those posted to unusual accounts.

- Assessing when the revenue was recognized, particularly focusing on revenue recognized in unbilled revenue, and whether it was recognized on the correct year.

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.

E.ON Energy Installation Services Limited

Independent Auditors' Report to the Members of E.ON Energy Installation Services Limited (continued)

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. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, recognising 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.

Strategic report and directors' report

The directors are 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 directors' 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 directors' 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.

E.ON Energy Installation Services Limited

Independent Auditors' Report to the Members of E.ON Energy Installation Services Limited (continued)

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.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are 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.

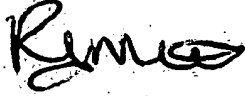
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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.

E.ON Energy Installation Services Limited

**Independent Auditors' Report to the Members of E.ON Energy Installation Services
Limited (continued)**



Rebecca Moulton (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

One, Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 7 October 2022

E.ON Energy Installation Services Limited

Profit and Loss Account for the Year Ended 31 December 2021

		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	Note	2021 £ 000	2021 £ 000	2021 £ 000	2020 £ 000	2020 £ 000	2020 £ 000
Turnover	4	42,379	2,309	44,688	22,749	12,553	35,302
Cost of sales		<u>(31,243)</u>	<u>(1,655)</u>	<u>(32,898)</u>	<u>(19,231)</u>	<u>(7,779)</u>	<u>(27,010)</u>
Gross profit		<u>11,136</u>	<u>654</u>	<u>11,790</u>	<u>3,518</u>	<u>4,774</u>	<u>8,292</u>
Administrative expenses excluding impairments		(15,444)	(379)	(15,823)	(12,021)	(5,752)	(17,773)
Net impairment losses on financial assets		<u>(20)</u>	<u>-</u>	<u>(20)</u>	<u>(180)</u>	<u>-</u>	<u>(180)</u>
Administrative expenses		(15,464)	(379)	(15,843)	(12,201)	(5,752)	(17,953)
Other operating income	5	<u>2,648</u>	<u>-</u>	<u>2,648</u>	<u>919</u>	<u>780</u>	<u>1,699</u>
Operating (loss)/profit	6	(1,680)	275	(1,405)	(7,764)	(198)	(7,962)
Interest payable and similar expenses	8	<u>(31)</u>	<u>-</u>	<u>(31)</u>	<u>(64)</u>	<u>(10)</u>	<u>(74)</u>
(Loss)/profit before tax		(1,711)	275	(1,436)	(7,828)	(208)	(8,036)
Tax on (loss)/profit	11	<u>315</u>	<u>(52)</u>	<u>263</u>	<u>1,472</u>	<u>40</u>	<u>1,512</u>
(Loss)/profit for the year		<u>(1,396)</u>	<u>223</u>	<u>(1,173)</u>	<u>(6,356)</u>	<u>(168)</u>	<u>(6,524)</u>

Discontinued operations relate to the discontinuation of the Company's ECO related installations business (note 3).

As the Company has no other comprehensive income for the year, a separate statement of comprehensive income has not been presented.

E.ON Energy Installation Services Limited

(Registration number: 09965944)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £ 000	31 December 2020 £ 000
Fixed assets			
Intangible assets	12	572	545
Right of use assets	13	344	892
		<u>916</u>	<u>1,437</u>
Current assets			
Stocks	14	180	429
Debtors: amounts falling due after more than one year	15	14	21
Debtors: amounts falling due within one year	16	17,908	24,550
		<u>18,102</u>	<u>25,000</u>
Creditors: amounts falling due within one year	17	<u>(16,334)</u>	<u>(24,283)</u>
Net current assets		<u>1,768</u>	<u>717</u>
Total assets less current liabilities		<u>2,684</u>	<u>2,154</u>
Creditors: amounts falling due after more than one year	18	<u>(106)</u>	<u>(403)</u>
Net assets		<u>2,578</u>	<u>1,751</u>
Capital and reserves			
Called up share capital	19	18,000	16,000
Profit and loss account		<u>(15,422)</u>	<u>(14,249)</u>
Shareholders' funds		<u>2,578</u>	<u>1,751</u>

The financial statements on pages 14 to 37 were approved by the Board of directors on 26 September 2022 and signed on its behalf by:



S H Vaghela
Director

E.ON Energy Installation Services Limited
Registration No: 09965944

E.ON Energy Installation Services Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

	Called up share capital £ 000	Profit and loss account £ 000	Shareholders' funds £ 000
At 1 January 2021	16,000	(14,249)	1,751
Loss for the financial year	-	(1,173)	(1,173)
Total comprehensive expense	-	(1,173)	(1,173)
New share capital subscribed	2,000	-	2,000
At 31 December 2021	<u>18,000</u>	<u>(15,422)</u>	<u>2,578</u>
	Called up share capital £ 000	Profit and loss account £ 000	Shareholders' funds £ 000
At 1 January 2020	11,000	(7,725)	3,275
Loss for the financial year	-	(6,524)	(6,524)
Total comprehensive expense	-	(6,524)	(6,524)
New share capital subscribed	5,000	-	5,000
At 31 December 2020	<u>16,000</u>	<u>(14,249)</u>	<u>1,751</u>

The notes on pages 17 to 35 form an integral part of these financial statements.

E.ON Energy Installation Services 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 the United Kingdom.

The Company supplies energy efficiency measures including external wall insulation, heating and other energy related services and measures to residential and municipal customers.

The address of its registered office is:

Westwood Way
Westwood Business Park
Coventry
England
CV4 8LG

2 Accounting policies

Basis of preparation

The Company has prepared these financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

These financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: certain financial assets and financial liabilities (including derivatives) measured at fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

Summary of disclosure exemptions

In these financial statements, the Company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (cash flow statement information);
 - 134-136 (capital management disclosures)

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

- The comparative information requirements of Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
 - paragraph 79(a)(iv) of IAS 1
(reconciliation of number of shares at the beginning and end of the period)
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment'
(reconciliations between the carrying amount at the beginning and end of the period)
 - paragraph 118(e) of IAS 38, 'Intangible assets'
(reconciliations between the carrying amount at the beginning and end of the period)
 - paragraph 134 (d-f) of IAS 36, 'Impairment of assets'
(information about estimates used to measure recoverable amounts)
- The requirements of IAS 7 - 'Statement of cash flows' and related notes.
- The requirements of Paragraphs 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).
- The requirements of Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements of Paragraph 18A of IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- The requirements of IFRS 7 - 'Financial instruments: Disclosures'
- The requirements of 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).
- 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' (disaggregation of revenue, significant changes in contract assets and liabilities; details on transaction price allocation, timing of the satisfaction of performance obligations and significant judgements made in the application of IFRS 15).
- The requirements of Paragraph 52 [lessee], the second sentence of Paragraph 89, and Paragraphs 90, 91 and 93 [lessor] of IFRS 16 - 'Leases' (lessee disclosures and lessor disclosures in relation to finance leases and lease income on operating leases).
- The requirements of paragraph 58 of IFRS 16 (maturity analysis), provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern

The directors have considered the Company's principal risks and uncertainties and concluded that the Company will have sufficient funds available under its current resources and committed facilities to continue to meet its liabilities as they fall due for at least 12 months from the date these financial statements are approved. These financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons:

- The Company is part of the E.ON SE group, one of the world's largest energy groups, and performs key business activities including installing boilers, solar panels and other customer solutions.
- The Company is a member of the UK cash pooling facility managed by E.ON SE, whereby the cash balance of the Company is swept into an inter-company bank account on a daily basis. To the extent that working capital requirements arise, these are met through access to the cash pooling facility. As at the date of approval of these financial statements, the Company had a net payable balance to that facility.
- The Company's parent, E.ON UK plc, has significant receivables from its immediate parent company. The immediate parent company has prepared a base case financial forecast covering the E.ON UK group companies ("the UK Group"), including the Company for at least 12 months from the date these financial statements are approved. These forecasts indicate that the UK Group will have sufficient funds available under its current resources and committed facilities to continue to meet its liabilities as they fall due.
- The ultimate UK parent company has also prepared a range of potential scenarios and in certain severe but plausible downside scenarios, under some of these scenarios the UK Group needs additional support from the ultimate holding company, E.ON SE, to meet its working capital requirements. The directors consider that in these circumstances, E.ON SE would have the ability and intention to provide funds such that the UK Group will continue to meet its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors of the Company are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements and therefore have prepared these financial statements on the going concern basis.

Changes in accounting policy

None of the following standards, interpretations and amendments effective for the first time from 1 January 2021 have had a material effect on these financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2; and
- Amendments to IFRS 4 Insurance Contracts - deferral of IFRS19.

Accounting estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of these financial statements, and the reported amounts of revenues and expenses during the reporting year. These estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in these financial statements.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Accounting estimates and judgements (continued)

Impairment of financial assets (estimate)

The Company has two types of financial assets that are subject to the expected credit loss model:

- trade receivables and accrued income from the provision of external wall insulation, heating and other energy related services; and
- amounts owed by group undertakings.

The expected future credit loss is calculated by multiplying the probability of default by the carrying amount of the financial asset (exposure at default) and the expected loss ratio (loss given default). The probability of default describes the probability that a debtor will not meet their payment obligations and the receivable will therefore default. Exposure at default is the amount of the financial asset allocated to the Company at the time of default. Loss given default is the expectation of what portion of a financial asset is no longer recoverable in the event of default and is determined taking into account guarantees, other loan collateral and, if appropriate, insolvency ratios.

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables, which uses a lifetime expected credit loss allowance. The expected loss rates are based on available external and internal rating information as well as historical default ratios. The estimates and assumptions used to determine the level of expected credit losses are reviewed periodically. The carrying value of trade receivables is disclosed within note 16. If the provision was to increase by 1%, the loss before tax would increase by £32,000.

Amounts owed by group undertakings

For amounts owed by group undertakings, the Company first determines the 12 month expected credit loss, with the lifetime expected credit loss being recognised in the event of a significant increase in default risk. This is assumed if the internally determined counterparty risk has been downgraded at least three risk levels on the ten level counterparty risk scale since initial recognition. If external or internal rating information is available, the expected credit loss is determined on the basis of this data. If no rating information is available, the Company determines default ratios on the basis of historical default rates, taking into account forward-looking information on economic developments. The estimates and assumptions used to determine the level of expected credit losses are reviewed periodically to determine if there is a significant increase in default risk. The carrying value of amounts owed by group undertakings is disclosed within note 16. If the provision was to increase by 1%, the loss before tax would increase by £8,000.

Turnover

All turnover generated by the Company during the year arose from its principal activities. The turnover is recognised when performance obligations have been satisfied and when the services or goods have been transferred to the customer and the customer has control of these. For the Company, this is at the point when services are completed, or at milestone valuations that have been agreed with the customer. Turnover from the rendering of services is recognised over time by reference to the stage of completion of the transaction once all factors can be measured reliably. Turnover excludes value added tax.

A receivable is recognised at the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Foreign currency transactions and balances

These financial statements are presented in Great British Pounds ("GBP") which is the Company's functional currency. All financial information is presented in GBP and has been rounded to the nearest thousand unless otherwise stated.

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The tax expense for the period 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 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.

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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income 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.

Intangible assets

Other intangibles relate to capitalised costs in respect of the development and implementation of an enterprise planning IT system. Other intangibles are stated at cost less accumulated amortisation and impairment losses. They are amortised on a straight line basis over their useful economic lives.

Intangible assets are reviewed for impairment annually and impaired if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Other intangibles	Straight-line basis over 5 years

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. 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 fixed 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. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. In general, stocks are recognised in the profit and loss account on a weighted average cost basis. The Companies Act 2006 requires stocks to be categorised between raw materials, work in progress and finished goods. Stores are considered to be raw materials under this definition.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable 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.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Leases

Definition

A lease is a contract, or a part of a contract, that conveys the right to use an asset or a physically distinct part of an asset ("the underlying asset") for a period of time in exchange for consideration. Further, the contract must convey the right to the Company to control the asset or a physically distinct portion thereof. A contract is deemed to convey the right to control the underlying asset if, throughout the period of use, the Company has the right to:

- Obtain substantially all the economic benefits from the use of the underlying asset, and;
- Direct the use of the underlying asset (e.g. direct how and for what purpose the asset is used)

Where contracts contain a lease coupled with an agreement to purchase or sell other goods or services (i.e., non-lease components), the non-lease components are identified and accounted for separately from the lease component. The consideration in the contract is allocated to the lease and non-lease components on a relative standalone price basis using the principles in IFRS15.

However, for leases of buildings, the Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

The Company initially recognises a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term.

Initial recognition and measurement

The lease liability is measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments, purchase options at exercise price (where payment is reasonably certain), expected amount of residual value guarantees, termination option penalties (where payment is considered reasonably certain) and variable lease payments that depend on an index or rate.

The right-of-use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the Company's initial direct costs (e.g., commissions) and an estimate of restoration, removal and dismantling costs.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Subsequent measurement

After the commencement date, the Company measures the lease liability by:

- (a) Increasing the carrying amount to reflect interest on the lease liability;
- (b) Reducing the carrying amount to reflect the lease payments made; and
- (c) Re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in substance fixed lease payments or on the occurrence of other specific events.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. Interest charges are included in finance cost in the income statement, unless the costs are included in the carrying amount of another asset applying other applicable standards. Variable lease payments not included in the measurement of the lease liability, are included in operating expenses in the period in which the event or condition that triggers them arises.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company derives benchmark interest rates from maturity-related risk-free interest rates which are increased by a specific credit-risk premium and adjusted for attributes specific to the lease (e.g. term, country, currency and security).

The related right-of-use asset is accounted for using the Cost model in IAS 16 and depreciated over the shorter of the lease term and the useful economic life of the asset. Adjustments are made to the carrying value of the right of use asset where the lease liability is re-measured in accordance with the above. Right of use assets are tested for impairment in accordance with IAS 36 Impairment of assets as disclosed in the accounting policy in impairment.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Lease modifications

If a lease is modified, the modified contract is evaluated to determine whether it is or contains a lease. If a lease continues to exist, the lease modification will result in either a separate lease or a change in the accounting for the existing lease.

The modification is accounted for as a separate lease if both:

- (a) The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

If both of these conditions are met, the lease modification results in two separate leases, the unmodified original lease and a separate lease. The Company then accounts for these in line with the accounting policy for new leases.

If either of the conditions are not met, the modified lease is not accounted for as a separate lease and the consideration is allocated to the contract and the lease liability is re-measured using the lease term of the modified lease and the discount rate as determined at the effective date of the modification.

For a modification that fully or partially decreases the scope of the lease (e.g., reduces the square footage of leased space), IFRS 16 requires a lessee to decrease the carrying amount of the right-of-use asset to reflect partial or full termination of the lease. Any difference between those adjustments is recognised in profit or loss at the effective date of the modification.

For all other lease modifications which are not accounted for as a separate lease, IFRS 16 requires the lessee to recognise the amount of the re-measurement of the lease liability as an adjustment to the corresponding right-of-use asset without affecting profit or loss.

Short term and low value leases

The Company has made an accounting policy election, by class of underlying asset, not to recognise lease assets and lease liabilities for leases with a lease term of 12 months or less (i.e., short-term leases).

The Company has made an accounting policy election on a lease-by-lease basis, not to recognise lease assets on leases for which the underlying asset is of low value.

Short term and low value lease payments are included in operating expenses in the profit and loss account as they are incurred.

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.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Inter-company balances

Inter-company payable and receivable trading balances within the E.ON SE group are recognised initially at fair value and subsequently measured at amortised cost. These balances are consolidated at each period end into a single balance with each group company. These transactions are net settled. As a result, the directors consider it appropriate to present inter-company balances within these financial statements on a net basis. Formal loan balances are settled and presented gross.

Inter-company receivable balances are provided for in line with the impairment estimation criteria set out on page 21.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet, when the Company has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

Work in progress

Work in progress is valued at the lower of cost and net realisable value. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Accrued income

Income recognised in advance of receipt is debited to an accrued income account and recognised in the profit and loss account in the period to which it relates as the relevant performance obligations are satisfied.

Other operating income

Other operating income primarily relates to the recharge of staff costs to other E.ON companies for work performed and ancillary income. These are recognised as work is performed.

Financial instruments

Initial recognition

Amortised cost assets (including trade receivables and amounts owed by group undertakings) are primarily financial assets with fixed or determinable payments that are not traded in an active market and are reported on the balance sheet under "Debtors: amounts falling due within one year". Initial measurement takes place at fair value plus transaction costs.

Financial liabilities (including trade payables and amounts owed to group undertakings) are measured at amortised cost, using the effective interest method. Initial measurement takes place at fair value net of transaction costs incurred.

Employee benefits

Defined contribution pension obligation

The Company has no employees but is recharged by E.ON UK plc for the services of certain of its employees. E.ON UK plc contributes to both defined contribution and defined benefit pension schemes maintained by E.ON UK plc on behalf of its employees. The recharges to the Company from E.ON UK plc for services from certain of its employees include the current pension service cost but no recharges are made for any pension deficit repair payments. It is not possible to identify the share of the underlying assets and liabilities of the E.ON UK plc group defined benefit pension scheme that relate to existing and previous employees recharged to the Company therefore the Company accounts for its contributions to the scheme on a defined contribution basis. Further details of these schemes are available in E.ON UK plc's financial statements.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

3 Discontinued operations

Discontinuation of ECO related installations business

On 9 March 2021, it was agreed that the Company's ECO related installations business would be undertaken by a fellow group undertaking, E.ON Energy ECO Installations Limited, with effect from that date. No assets or liabilities were transferred.

The 2021 results for the Company's ECO Installations business being a discontinued operation is to the date 9 March 2021.

4 Turnover

The Company's turnover, all of which arises in the course of the Company's principal activity, arises in the UK.

No revenue was recognised in the year relating to performance obligations satisfied in prior periods (2020: £230,000).

5 Other operating income

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

	2021	2020
	£ 000	£ 000
Miscellaneous other operating income	<u>2,648</u>	<u>1,699</u>

Other income relates primarily recharges to other E.ON group companies.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

6 Operating loss

Arrived at after charging:

		2021	2020
	Note	£ 000	£ 000
Depreciation on right of use assets	13	358	440
Amortisation expense	12	410	378
Impairment of financial assets	16	20	180
Expense of variable lease payments not included in lease liabilities		-	58
Expense on short term leases (over one month)		5	14
		<u>5</u>	<u>14</u>

The impairment of financial assets include for trade receivables an expense of £50,000 offset by a £30,000 reversal of impairment for amounts owed to group undertakings in the year (2020: £142,000 and £38,000).

The total cash outflow for leases in 2021 was £371,000 (2020: £436,000).

7 Auditors' remuneration

Auditors' remuneration of £10,600 (2020: £20,000) for the audit of these financial statements was borne by E.ON UK plc, the immediate parent undertaking, and not recharged.

8 Interest payable and similar expenses

	2021	2020
	£ 000	£ 000
Interest payable to group undertakings	21	53
Interest expense on leases	10	21
	<u>31</u>	<u>74</u>

9 Staff costs

The Company had no employees during the year (2020: none). The average monthly number of persons (including directors) recharged by E.ON UK plc for the services of employees during the year was:

	2021	2020
	No.	No.
Production	62	60
Administration and support	97	93
Sales	40	38
	<u>199</u>	<u>191</u>

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Staff costs (continued)

The aggregate recharged payroll costs were as follows:

	2021	2020
	£ 000	£ 000
Wages and salaries	7,667	7,265
Social security costs	807	787
Other pension costs	1,038	1,002
	<u>9,512</u>	<u>9,054</u>

In addition, £191,000 (2020: £277,000) was recharged by the Company to other companies within the E.ON UK plc group.

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Aggregate emoluments (including benefits in kind)	<u>136,514</u>	<u>114,306</u>

The above amounts relate to one director (2020: one) who was remunerated by the Company.

During the year, no directors (2020: none) exercised Performance Rights over shares in the ultimate parent company, E.ON SE, that they were awarded for services to the E.ON SE group under Long Term Incentive arrangements.

During the year, the Company has not paid, or treated as paid, contributions to a pension scheme in respect of money purchase benefits in respect of the above director (2020: £nil).

E.ON Energy Installation Services 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
Current taxation		
UK corporation tax credit on losses for the year	(267)	(1,512)
UK corporation tax adjustment to prior periods	<u>(3)</u>	<u>12</u>
Total current income tax	<u>(270)</u>	<u>(1,500)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	(5)	(6)
Arising from changes in tax rates and laws	(2)	(1)
Deferred tax adjustment to prior periods	<u>14</u>	<u>(5)</u>
Total deferred taxation	<u>7</u>	<u>(12)</u>
Tax credit in the profit and loss account	<u>(263)</u>	<u>(1,512)</u>

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

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Loss before tax	<u>(1,436)</u>	<u>(8,036)</u>
Corporation tax at standard rate	(272)	(1,527)
(Decrease)/increase in current tax from adjustment for prior periods	(3)	12
Increase from effect of expenses not deductible in determining taxable profit	2	9
Deferred tax credit relating to changes in tax rates or laws	(4)	(1)
(Decrease)/increase in deferred tax from adjustment for prior periods	<u>14</u>	<u>(5)</u>
Total tax credit	<u>(263)</u>	<u>(1,512)</u>

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

11 Tax on loss (continued)

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This law was substantively enacted on 17 March 2020. Subsequently in the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This law was substantively enacted on 24 May 2021 and has been reflected in these financial statements. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements. On 23 September 2022, the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 December 2021. The potential impact of this change on the deferred tax balances at 31 December 2021 is expected to be immaterial.

The corporation tax receivable has been reduced by £270,000 because of group relief surrendered to a fellow group undertaking for which a payment will be received (2020: £1,500,000). Accordingly no current year tax losses are available for carry forward.

Deferred tax

Deferred tax assets

	Asset £ 000
2021	
Accelerated tax depreciation	<u>14</u>
	Asset £ 000
2020	
Accelerated tax depreciation	<u>21</u>

Deferred tax movement during the year:

	At 1 January 2021 £ 000	Recognised in income £ 000	31 December 2021 £ 000
Accelerated tax depreciation	<u>21</u>	<u>(7)</u>	<u>14</u>

Deferred tax movement during the prior year:

	At 1 January 2020 £ 000	Recognised in income £ 000	31 December 2020 £ 000
Accelerated tax depreciation	<u>9</u>	<u>12</u>	<u>21</u>

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

12 Intangible assets

	Capitalised software £ 000	Total £ 000
Cost		
At 1 January 2021	1,702	1,702
Additions	437	437
At 31 December 2021	<u>2,139</u>	<u>2,139</u>
Accumulated amortisation		
At 1 January 2021	1,157	1,157
Amortisation charge	410	410
At 31 December 2021	<u>1,567</u>	<u>1,567</u>
Carrying amount		
At 31 December 2021	<u>572</u>	<u>572</u>
At 31 December 2020	<u>545</u>	<u>545</u>

Capitalised software relates to capitalised costs in respect of the development and implementation of an enterprise planning IT system.

13 Right of use assets

	Land and buildings £ 000	Vehicles £ 000	Total £ 000
Cost			
At 1 January 2021	225	1,349	1,574
Additions	-	185	185
Disposals	(225)	(591)	(816)
At 31 December 2021	<u>-</u>	<u>943</u>	<u>943</u>
Accumulated depreciation			
At 1 January 2021	27	655	682
Charge for the year	-	358	358
Eliminated on disposals	(27)	(414)	(441)
At 31 December 2021	<u>-</u>	<u>599</u>	<u>599</u>
Carrying amount			
At 31 December 2021	<u>-</u>	<u>344</u>	<u>344</u>
At 31 December 2020	<u>198</u>	<u>694</u>	<u>892</u>

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

14 Stocks

	31 December 2021 £ 000	31 December 2020 £ 000
Stores	59	97
Work in progress	121	332
	<u>180</u>	<u>429</u>

Stores are stated net of provisions for impairment of £nil (2020: £nil).

The cost of stock recognised as an expense in the year amounted to £187,000 (2020: £137,000). This is included within cost of sales.

15 Debtors: amounts falling due after more than one year

	31 December 2021 £ 000	31 December 2020 £ 000
Deferred tax assets	<u>14</u>	<u>21</u>

16 Debtors: amounts falling due within one year

	31 December 2021 £ 000	31 December 2020 £ 000
Gross trade receivables	4,724	6,623
Provision for impairment of trade receivables	<u>(205)</u>	<u>(308)</u>
Trade receivables	4,519	6,315
Amounts owed by group undertakings	12,608	16,102
Prepayments	780	-
Other taxation and social security	-	402
Other debtors	<u>1</u>	<u>1,731</u>
	<u>17,908</u>	<u>24,550</u>

Trade receivables includes £1,919,000 (2020: £4,940,000) of unbilled income.

Trade receivables and amounts owed by group undertakings are stated after loss allowances of £205,000 and £33,000 respectively (2020: £308,000 and £63,000). Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

17 Creditors: amounts falling due within one year

	31 December 2021 £ 000	31 December 2020 £ 000
Trade creditors	3,974	4,978
Accrued expenses	5,369	7,325
Amounts due to group undertakings	6,096	11,045
Social security and other taxes	124	-
Other creditors	11	10
Lease liabilities	247	383
Deferred income	513	542
	<u>16,334</u>	<u>24,283</u>

Amounts owed to group undertakings include a loan from E.ON UK plc of £2,901,000 (2020: £5,983,000), which is part of a credit facility of £10,000,000 (2020: £10,000,000), bears interest at a rate of SONIA plus 47 basis points (2020: 52 basis points) and currently rolls forward (principal and interest) on a daily basis. All other amounts are unsecured, interest free and repayable on demand.

Of the revenue recognised in the year, £179,000 (2020: £444,000) was included in the deferred income balance at the beginning of the year.

18 Creditors: amounts falling due after more than one year

	31 December 2021 £ 000	31 December 2020 £ 000
Lease liabilities	<u>106</u>	<u>403</u>

The maturity profile of the carrying amount of the Company's lease liabilities was as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
In more than one year, but no more than two years	106	251
In more than two years, but no more than five years	-	152
	<u>106</u>	<u>403</u>

E.ON Energy Installation Services Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

19 Called up share capital

Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>18,000</u>	<u>18,000</u>	<u>16,000</u>	<u>16,000</u>

New shares allotted

On 29 November 2021, the Company issued 2,000,000 additional shares to E.ON UK plc in exchange for cash.

The Company had 18,000,001 ordinary shares in issue as at 31 December 2020 (2020: 16,000,001 ordinary shares).

20 Ultimate holding company

The immediate parent undertaking is E.ON UK plc. The ultimate parent undertaking and controlling party is E.ON SE, a company incorporated in Germany, which is the parent company of the largest and smallest group to consolidate these financial statements. Copies of E.ON SE's financial statements are available from the offices of E.ON SE at the following address:

E.ON SE
Brüsseler Platz 1
45131 Essen
Germany