

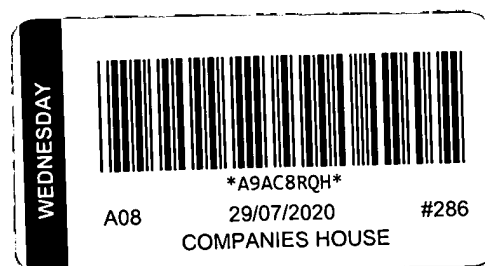
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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	S Pullat Bhaskar D Leich C Dexter E Maka
<b>COMPANY SECRETARY</b>	S Gregory
<b>REGISTERED NUMBER</b>	02615555
<b>REGISTERED OFFICE</b>	Level 20 25 Canada Square London E14 5LQ
<b>INDEPENDENT AUDITOR</b>	Ernst & Young LLP Citygate St James' Boulevard Newcastle-upon-Tyne United Kingdom NE1 4JD

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### INTRODUCTION

The Directors present their Strategic Report of National Power Australia Finance Limited (the Company) for the year ended 31 December 2019.

#### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Company is a private company limited by shares.

#### BUSINESS REVIEW

The loss for the financial year after taxation amounted to €2,000 (2018: *€nil*).

The statement of financial position on page 9, shows the Company's financial position at the end of the current and preceding financial year. The net assets have decreased from €400,000 to €398,000 because of the loss for the financial year.

The Directors do not monitor the performance of the Company through the use of key performance indicators (KPIs). The ENGIE group manages its business and measures the delivery of its strategic objectives through the application of KPIs at both an ENGIE division and group level.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The identification, assessment, pursuit and management of opportunities and the associated risks is an integral part of the management and processes of the Company. The Company has processes in place for managing the exposure within a specified opportunity and risk management framework, including:

##### Investment in participating interest

The Company holds a participating interest in Fadhili Plant Cogeneration Company LLC. Although the Directors are satisfied that the recoverable amount of the Company's investment is not less than its book value as at 31 December 2019, there is a risk that in future periods the book value may become impaired. The Directors have assessed this risk as acceptable.

##### Credit risk

The Company manages credit exposure to counterparties by establishing clearly defined limits, policies and procedures. The largest receivables relate to amounts in cash at bank for which the Company can demand repayment at any time. The Company continually reviews its receivable position and the credit risk associated with this position, taking into consideration the impact of the current pandemic when assessing expected credit losses. The Directors have assessed this risk as acceptable.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Liquidity risk**

The Company is exposed to liquidity risk on its financial liabilities which consist mainly of amounts owed to group undertakings. In order to maintain liquidity to ensure sufficient funds are available for ongoing activities and future developments, which is particularly important given the ongoing economic crisis, the Company benefits from access to financial support from International Power Ltd. The Directors do not anticipate any issues in accessing necessary liquidity for the foreseeable future. The situation is, of course, under continual review.

This report was approved by the Board on 9 July 2020 and signed on its behalf.

**C Dexter**  
Director



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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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The Directors present their report and the audited financial statements of National Power Australia Finance Limited (the Company) for the year ended 31 December 2019.

#### RESULTS AND DIVIDENDS

The loss for the financial year, after taxation, amounted to €2,000 (2018: profit *€nil*).

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: *€nil*).

#### DIRECTORS

The Directors who served during the year and up to the date of this report were:

S Pullat Bhaskar  
D Leich  
C Dexter  
E Maka

#### SHARE CAPITAL

The Company's share capital comprises 167,060 ordinary shares of £1.00 each which rank *pari passu* with each other in respect of all rights, including dividend, voting and return of capital.

#### GOING CONCERN

Given the current health and economic crisis which has evolved since the financial year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements. The Company has no reliance on external third-party debt, benefits from access to financial support from International Power Ltd. and having closely reviewed current performance and forecasts, the Directors report that they have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

#### FUTURE DEVELOPMENTS

The Company has no significant future developments to report.

#### EMPLOYEES

The Company had no employees (2018: *none*) and incurred no related costs during the financial year (2018: *€nil*).

#### DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**INDEPENDENT AUDITOR**

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

**POST BALANCE SHEET EVENTS**

Since the year end, the world has and is continuing to face the COVID-19 pandemic on an unprecedented scale which is resulting in a health and economic crisis and the ENGIE Group is taking numerous actions to help weather the storm. The ENGIE Group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

The Company and the ENGIE Group have no experience of a similar crisis and it is difficult to predict the full extent that coronavirus will have on activities; however, the Company is confident it has access to financial support to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

This report was approved by the Board and signed on its behalf.



**C Dexter**  
Director  
Date: 9 July 2020

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## **NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements of National Power Australia Finance Limited (the Company) in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements of National Power Australia Finance Limited (the Company) for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements of National Power Australia Finance Limited (the Company), the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL POWER AUSTRALIA FINANCE LIMITED**

### **Opinion**

We have audited the financial statements of National Power Australia Finance Limited (the Company) for the year ended 31 December 2019 which comprise the Income statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

### **Emphasis of matter – Effects of COVID-19**

We draw attention to Note 15 of the financial statements, which describes the potential financial and operational impact the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL POWER AUSTRALIA FINANCE LIMITED (CONTINUED)**

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

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Use of our report**

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



Caroline Mulley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne  
24 July 2020

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Note</b>	<b>2019 €000</b>	<b>2018 €000</b>
Interest payable and similar expenses	6	(3)	-
<b>Loss before tax</b>		<b>(3)</b>	<b>-</b>
Tax on loss	7	1	-
<b>(Loss)/profit for the financial year</b>		<b>(2)</b>	<b>-</b>

The notes on pages 11 to 19 form part of these financial statements.

**NATIONAL POWER AUSTRALIA FINANCE LIMITED**  
**REGISTERED NUMBER: 02615555**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 €000	2018 €000
<b>Fixed assets</b>			
Investments	8	675	675
		<u>675</u>	<u>675</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	73	75
Cash at bank	10	250	250
		<u>323</u>	<u>325</u>
<b>Total assets less current liabilities</b>		<u>998</u>	<u>1,000</u>
Creditors: amounts falling due after more than one year	11	(600)	(600)
<b>Net assets</b>		<u>398</u>	<u>400</u>
<b>Capital and reserves</b>			
Called up share capital	12	200	200
Redenomination reserve	13	175	175
Profit and loss account	13	23	25
<b>Total equity</b>		<u>398</u>	<u>400</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 July 2020.



**C Dexter**  
Director

The notes on pages 11 to 19 form part of these financial statements.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	<b>Called up share capital</b>	<b>Redenomination reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>At 1 January 2018</b>	<b>200</b>	<b>175</b>	<b>25</b>	<b>400</b>
Profit for the financial year	-	-	-	-
<b>At 1 January 2019</b>	<b>200</b>	<b>175</b>	<b>25</b>	<b>400</b>
Loss for the financial year	-	-	(2)	(2)
<b>At 31 December 2019</b>	<b>200</b>	<b>175</b>	<b>23</b>	<b>398</b>

The notes on pages 11 to 19 form part of these financial statements.

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. GENERAL INFORMATION

National Power Australia Finance Limited (the Company) is a private limited company incorporated and domiciled in England and limited by shares. The address of its registered office is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

#### 2. ACCOUNTING POLICIES

The following principal accounting policies have been applied:

##### 2.1 Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under FRS (Financial Reporting Standard) 100 issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

Where relevant, equivalent disclosures have been given in the group accounts of ENGIE S.A. The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 16.

The Company is a wholly owned subsidiary of International Power Ltd. and of its ultimate parent, ENGIE S.A. It is included in the consolidated financial statements of ENGIE S.A. which are publicly available. Therefore, under Section 400 of the Companies Act 2006 and paragraph 4(a) of IFRS 10 'Consolidated Financial Statements', the Company is exempt from the requirement to prepare consolidated financial statements. Consequently, these separate financial statements present information about the company as an individual undertaking and not its group.

##### Changes in accounting policy and disclosures

The Company has applied IFRS 16 'Leases' for the reporting period commencing 1 January 2019. The application of this standard did not have a material impact on the Company.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. ACCOUNTING POLICIES (continued)

### 2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 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, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

### 2.3 Going concern

Given the current health and economic crisis which has evolved since the financial year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements. The Company has no reliance on external third-party debt, benefits from access to financial support from International Power Ltd. and having closely reviewed current performance and forecasts, the Directors report that they have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

### 2.4 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentation currency is Euros. Monetary amounts presented are rounded to the nearest thousand euros.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

### 2.5 Interest expense

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. ACCOUNTING POLICIES (continued)

### 2.6 Taxation

Tax is recognised in the Income Statement, except that an expense attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax expense 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 income.

### 2.7 Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment. At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount (greater of fair value less costs to sell and value in use). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment provision is reversed to the extent that the asset's recoverable amount is greater than the carrying value of the fixed asset investment.

### 2.8 Cash at bank

Cash is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value in accordance with IFRS 9.

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

#### Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.



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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 2. ACCOUNTING POLICIES (continued)

### 2.9 Financial instruments (continued)

#### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company requires expected lifetime losses to be recognised from initial recognition of the receivables. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

#### Financial liabilities

##### At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

## 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with FRS 101 requires the use of estimates and assumptions to determine the value of assets and liabilities, and contingent assets and liabilities at the reporting date, as well as income and expenses reported during the year.

The Company regularly revises its estimates in light of currently available information because of uncertainties inherent in the estimation process. Final outcomes could differ from those estimates.

The key estimates used in preparing the Company's financial statements predominately relate to the measurement of the recoverable amount of debtors and investments.

#### Recoverable amount of debtors

Management regularly assesses whether there is objective evidence that an impairment loss on debtors has been incurred. The Company's risk management procedures include an assessment of risk - in particular counterparty risk - on the measurement of its financial instruments. The carrying amount of debtors at the reporting date was €73,000 (2018: €75,000) with an impairment loss of €nil recognised in 2019 (2018: €nil).

#### Recoverable amount of investments

Determining whether the Company's investment in its participating interest has been impaired requires estimation of the investment's value in use. The value in use calculation requires the entity to estimate the future cash flows expected to be generated from the investee and a suitable discount rate in order to calculate present value. The carrying amount of the investment at the reporting date was €675,000 (2018: €675,000) with no impairment loss recognised in 2019 (2018: €nil).

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 4. DIRECTORS' REMUNERATION

The Directors did not receive any fees or emoluments from the Company during the year (2018: €nil) directly attributable to their position within the Company. There exist no qualifying services from the Directors attributable to the Company and Director fees are paid by other entities (of which €nil is applicable to this entity).

#### 5. AUDITOR'S REMUNERATION

The auditor's remuneration in respect of the statutory audit for the years ended 31 December 2019 and 31 December 2018 was borne by International Power Ltd.

The auditor's remuneration was as follows:

	2019 €000	2018 €000
Auditor's remuneration for the financial year	<u>1</u>	<u>1</u>

Audit fees and non-audit fees borne by International Power Ltd. and its subsidiaries are set out in the financial statements of International Power Ltd. for the year ended 31 December 2019 which can be obtained from Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.

#### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 €000	2018 €000
Interest payable to group undertakings	<u>3</u>	<u>-</u>

#### 7. TAXATION

	2019 €000	2018 €000
Corporation tax		
Current tax credit on loss for the year	<u>(1)</u>	<u>-</u>

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**7. TAXATION (continued)**

**Factors affecting tax credit for the year**

The tax assessed for the year is the same as (2018: the same as) the standard rate of corporation tax in the UK of 19% (2018: 19%) as set out below:

	2019 €000	2018 €000
Loss before tax	(3)	-
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(1)	-
<b>Total tax credit for the year</b>	<b>(1)</b>	<b>-</b>

**Factors that may affect future tax expenses**

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2016 (on 6 September 2016). This included a reduction to the main rate to reduce the rate to 17% from 1 April 2020.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements and deferred taxes have therefore been measured at the rate of 17% that was substantively enacted at the year end.

It is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would not be material to these financial statements.

**8. FIXED ASSET INVESTMENTS**

	Investments in associate €000
<b>Cost</b>	
At 1 January 2019	675
At 31 December 2019	675

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. FIXED ASSET INVESTMENTS (continued)**

**Directly held participating interest**

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Fadhili Plant Cogeneration Company LLC	2nd Floor Chambre of Commerce Building, Jubail Business District 2, Jubail Industrial City, P.O Box 8028, Jubail, Kingdom of Saudi Arabia	Partnership capital	40%

As at 31 December 2019, the Directors are of the opinion that the recoverable amount of the Company's investment is not less than its book value.

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019 €000</b>	<b>2018 €000</b>
Amounts owed by group undertakings - current account	72	75
Group relief recoverable	1	-
	<u>73</u>	<u>75</u>

Included in 'amounts owed by group undertakings - current account' is a balance of €72,000 (2018: €75,000) held in a group cash pool arrangement, which is available on demand.

**10. CASH AND CASH EQUIVALENTS**

	<b>2019 €000</b>	<b>2018 €000</b>
Cash at bank	<u>250</u>	<u>250</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2019 €000</b>	<b>2018 €000</b>
Amounts owed to group undertakings	<u>600</u>	<u>600</u>

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Amounts owed to group undertakings are unsecured, subject to fixed rates of interest which are periodically reviewed, and are repayable in 2021.

#### 12. CALLED UP SHARE CAPITAL

	2019 €000	2018 €000
Issued, called up and fully paid		
167,060 (2018: 167,060) Ordinary shares of £1.00 each	200	200

Ordinary shares rank pari passu with each other in respect of all rights, including dividend, voting and return of capital.

#### 13. RESERVES

##### Other reserves

On 1 January 2012, a number of capital transactions were approved by the shareholder whereby the US dollar redeemable shares in issue at that time were redenominated into ordinary sterling shares of the Company. As part of these transactions, a capital reduction took place with the amount of £147,000 (€175,000) being transferred to the redenomination reserve.

##### Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

#### 14. RELATED PARTY TRANSACTIONS

As at 31 December 2019 and 31 December 2018, the Company was a wholly owned subsidiary of International Power Ltd. which is wholly owned by ENGIE S.A. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions with wholly owned entities of ENGIE S.A.

Transactions entered into with related parties that are not wholly owned by ENGIE S.A. and balances outstanding with related parties are as follows:

	2019 €000	2018 €000
Amounts owed by other group undertakings - other related parties	73	75
Amounts owed to other group undertakings - subsidiaries	(600)	(600)

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 15. POST BALANCE SHEET EVENTS

Since the year end, the world has and is continuing to face the COVID-19 pandemic on an unprecedented scale which is resulting in a health and economic crisis and the ENGIE Group is taking numerous actions to help weather the storm. The ENGIE Group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

The Company and the ENGIE Group have no experience of a similar crisis and it is difficult to predict the full extent that coronavirus will have on activities; however, the Company is confident it has access to financial support to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

#### 16. CONTROLLING PARTY

The Company's immediate parent undertaking is International Power Ltd., the registered address of which is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.

The Directors consider the Company's ultimate parent undertaking and controlling party to be ENGIE S.A. which was incorporated in France and is headquartered in Paris, France and which is the parent undertaking of the largest and smallest group in which the results of the Company are consolidated for the year ended 31 December 2019 and the year ended 31 December 2018. The consolidated financial statements of ENGIE S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris la Défense, France.