

Registered number: 02615555

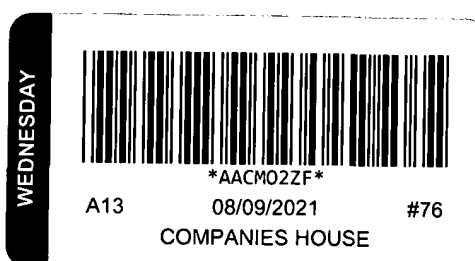
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# **NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

S Pullat Bhaskar  
D Leich  
C Dexter  
E Maka

**REGISTERED NUMBER**

02615555

**REGISTERED OFFICE**

Level 20  
25 Canada Square  
London  
E14 5LQ

**INDEPENDENT AUDITOR**

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 2020**

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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 2020.

#### **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 (2019: €2,000).

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 €398,000 to €396,000 because of the loss for the financial year.

#### **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 2020, 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 2020**

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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 27 August 2021 and signed on its behalf.

DocuSigned by:



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**C. Dexter**  
Director

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## NATIONAL POWER AUSTRALIA FINANCE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The Directors present their report and the financial statements for the year ended 31 December 2020.

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to €2,000 (2019: loss €2,000).

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2020 (2019: €nil).

#### DIRECTORS

The Directors who served during the year 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 during the financial year and has continued since the 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 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.

The Company has received a letter of support from International Power Limited. The Directors have considered the ability of International Power Limited to provide the required financial support to the Company and have satisfied themselves that International Power Limited is able to provide support for a period of the not less than twelve months from the approval of these financial statements.

#### FUTURE DEVELOPMENTS

The Company has no significant future developments to report.

#### EMPLOYEES

The Company had no employees (2019: none) and incurred no related costs during the financial year (2019: €nil).

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DISCLOSURE OF INFORMATION TO AUDITOR**

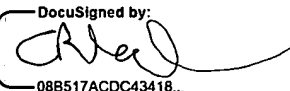
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

**INDEPENDENT AUDITOR**

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

This report was approved by the board on 27 August 2021 and signed on its behalf.

DocuSigned by:  
  
08B517ACDC43418...  
C Dexter  
Director

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 for the year ended 31 December 2020 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

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

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

## **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

## **Other information**

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

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

### **Responsibilities of directors**

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

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

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

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

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

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

Due to the simplicity of the company's activities and the small number of transactions our procedures focussed on:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct tax compliance regulations in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities, where applicable.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

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

### **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  
27 August 2021

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 €000	2019 €000
Interest payable and similar expenses	6	(3)	(3)
<b>Loss before tax</b>		<u>(3)</u>	<u>(3)</u>
Tax on loss	7	1	1
<b>Loss for the financial year</b>		<u><u>(2)</u></u>	<u><u>(2)</u></u>

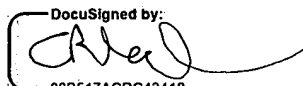
The notes on pages 11 to 19 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 €000	2019 €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	71	73
Cash at bank	10	250	250
		<u>321</u>	<u>323</u>
Creditors: Amounts Falling Due Within One Year	11	(600)	-
<b>Net current (liabilities)/assets</b>		<u>(279)</u>	<u>323</u>
<b>Total assets less current liabilities</b>		<u>396</u>	<u>998</u>
Creditors: amounts falling due after more than one year	12	-	(600)
<b>Net assets</b>		<u><u>396</u></u>	<u><u>398</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	200	200
Redenomination reserve	14	175	175
Profit and loss account	14	21	23
<b>Total equity</b>		<u><u>396</u></u>	<u><u>398</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 August 2021.

DocuSigned by:  
  
08B517ACDC43418...  
**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 2020**


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	Called up share capital €000	Redenomination reserve €000	Profit and loss account €000	Total equity €000
<b>At 1 January 2019</b>	<b>200</b>	<b>175</b>	<b>25</b>	<b>400</b>
<b>Comprehensive loss for the year</b>				
Loss for the financial year	-	-	(2)	(2)
<b>At 1 January 2020</b>	<b>200</b>	<b>175</b>	<b>23</b>	<b>398</b>
<b>Comprehensive loss for the year</b>				
Loss for the financial year	-	-	(2)	(2)
<b>At 31 December 2020</b>	<b>200</b>	<b>175</b>	<b>21</b>	<b>396</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 2020

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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.

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
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (continued)**

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

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 during the financial year and has continued since the 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 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.

The Company has received a letter of support from International Power Limited. The Directors have considered the ability of International Power Limited to provide the required financial support to the Company and have satisfied themselves that International Power Limited is able to provide support for a period of the not less than twelve months from the approval of these 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.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (continued)****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.

**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 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.10 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.



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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES (continued)**

**2.10 Financial instruments (continued)**

**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.

**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.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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**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 €70,000 (2019: €72,000) with an impairment loss of €nil recognised in 2020 (2019: €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 (2019: €675,000) with no impairment loss recognised in 2020 (2019: €nil).

**4. DIRECTORS' REMUNERATION**

The Directors did not receive any fees or emoluments from the Company during the year (2019: €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 2020 and 31 December 2019 was borne by International Power Ltd.

The auditor's remuneration was as follows:

	2020 €000	2019 €000
Auditor's remuneration for the financial year	<u>3</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 2020 which can be obtained from Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Interest payable to group undertakings	<u>3</u>	<u>3</u>

**7. TAXATION**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
<b>Corporation tax</b>		
Current tax credit on loss for the year	<u>(1)</u>	<u>(1)</u>

**Factors affecting tax credit for the year**

The tax assessed for the year is the same as (2019: the same as) the standard rate of corporation tax in the UK of 19% (2019: 19%) as set out below:

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Loss before tax	<u>(3)</u>	<u>(3)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<u>(1)</u>	<u>(1)</u>
<b>Total tax credit for the year</b>	<u>(1)</u>	<u>(1)</u>

**Factors that may affect future tax expenses**

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

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date. It is likely that the overall effect of these changes, had they been substantively enacted by the balance sheet date, would not be material to these financial statements.

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**NATIONAL POWER AUSTRALIA FINANCE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. FIXED ASSET INVESTMENTS**

	<b>Investments in associate €000</b>
<b>Cost</b>	
At 1 January 2020	675
At 31 December 2020	<u>675</u>

**Directly held participating interest**

The following was an associate of the Company:

Name	Registered office	Class of shares	Holding
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 2020, 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>2020 €000</b>	<b>2019 €000</b>
Amounts owed by group undertakings - current account	70	72
Group relief recoverable	1	1
	<u>71</u>	<u>73</u>

Included in 'amounts owed by group undertakings - current account' is a balance of €70,000 (2019: €72,000) held in a group cash pool arrangement, which is available on demand.

**10. CASH AND CASH EQUIVALENTS**

	<b>2020 €000</b>	<b>2019 €000</b>
Cash at bank	<u>250</u>	<u>250</u>

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**11. Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Amounts owed to group undertakings	<b>600</b>	-
	<u><b>600</b></u>	<u>-</u>

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

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

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Amounts owed to group undertakings	-	600
	<u>-</u>	<u>600</u>

**13. CALLED UP SHARE CAPITAL**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
<b>Issued, called up and fully paid</b>		
167,060 (2019: 167,060) Ordinary shares of £1.00 each	<b>200</b>	200
	<u><b>200</b></u>	<u>200</u>

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

**14. 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 records the cumulative amount of realised profits and losses less any distribution of dividends.

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**15. RELATED PARTY TRANSACTIONS**

As at 31 December 2020 and 31 December 2019, 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:

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Amounts owed by other group undertakings - other related parties	<b>71</b>	<b>73</b>
Amounts owed to other group undertakings - subsidiaries	<b>(600)</b>	<b>(600)</b>
	<b>=====</b>	<b>=====</b>

**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 2020 and the year ended 31 December 2019. 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.