IPM ENERGY LIMITED

Company no: 2704476

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

Strategic report

The Directors present the Strategic report of IPM Energy Limited (the Company) for the year ended 31 December 2015.

Principal activities

The Company provides staffing and support services on behalf of other group undertakings.

Business review

The accompanying financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) for all periods presented. The application of FRS 101 represents a transition from reporting under previous UK GAAP, which was applied in the preparation of last year's financial statements. The Company has taken advantage of the disclosure exemptions allowed under this standard. The shareholder of the Company was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no recognition or measurement differences arising on the adoption of FRS 101.

The results of the Company are as follows:

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Profit/(loss) for the financial year	80	(32)

In 2015 the Company continued to provide staffing and support services to other group undertakings at cost (2014: at cost).

As shown in the Company's income statement on page 7, the profit for the year increased in comparison with the prior year. This is mainly due to a reduction in the net interest payable as a result of a reduction in borrowings during 2015.

The statement of financial position on page 8 of the financial statements shows the Company's financial position at the end of the current and preceding year. The increase of shareholder's funds from £5,837,000 to £5,917,000 is a result of the profit retained in the current financial year.

Principal risks and uncertainties

Interest rate risk

The Company has just interest-bearing assets in the form of intercompany balances with ENGIE group undertakings. As at 31 December 2015 interest-bearing assets with a carrying value of £4,946,000 (2014: £6,790,000) earned interest at floating rates plus a margin. The Company has no interest-bearing liabilities (2014: £7,978,000).

Although the rates of interest are variable and create volatility in earnings from period to period, the Directors have assessed this risk as acceptable.

Credit risk

The Company's credit exposures is to group companies. It manages credit exposure by establishing clearly defined limits, policies and procedures. The largest receivables relate to amounts lent to undertakings within the ENGIE group which is repayable on demand. The Company continually reviews its receivable position and the credit risk associated with this position. The Directors believe that payment default remains a low risk.

Strategic report (continued)

Principal risks and uncertainties (continued)

Credit risk (continued)

With respect to treasury activities, the Company's financial counterparty credit exposure is principally limited to arrangements with relationship banks and cash pooling arrangements with ENGIE Treasury Management S.a.r.l. (formerly GDF SUEZ Treasury Management S.a.r.l.), disclosed under 'Debtors: amounts owed by ENGIE group undertakings – current account'. This results in a concentration of risk to the ENGIE group, but the risk of default remains low given ENGIE's strong credit rating.

Employees

Details of the number of employees and related costs can be found in note 2 to the financial statements.

Events after the end of the reporting period

There have been no significant events since the reporting date which should be considered for a proper understanding of these financial statements.

Future developments

The Company has no significant future developments to report.

By order of the Board

S Pinnell
Director
30 November 2016

Directors' Report

The Directors present their report and the audited financial statements of IPM Energy Limited (the Company) for the year ended 31 December 2015.

Information disclosed in the Strategic report

The following information has been disclosed in the Strategic report:

- Principal activities
- Business review
- Principal risks and uncertainties
- Employees
- Events after the end of the reporting period
- Future developments

Directors and directors' interests

The following directors, who served during the year and subsequent to year-end, do not have any beneficial interests in the share capital of the Company;

S Pinnell	
D G Alcock	Resigned 1 October 2015
I Kajimura	Resigned 30 June 2015
A Garner	
S Ihara	Appointed 1 July 2015

Political donations

The Company did not make any political donations during the year (2014: £nil).

Share capital

The Company's share capital comprises 2 ordinary shares of £1 each which rank pari passu with each other in respect of all rights, including dividend, voting and return of capital.

Going concern

The Company's activities, together with the factors likely to affect its future development and position, are set out in the Strategic report. The Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: €nil).

Disclosure of information to the auditor

Deloitte LLP was appointed as the Company's statutory auditor for the year ended 31 December 2015. The Directors who held office at the date of approval of this Directors' report confirms that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Directors' Report (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of the Board

S Pinnell
Director
30 November 2016

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic report, the Director's 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.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of the disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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 enable them to ensure that its 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 IPM Energy Limited

We have audited the financial statements of IPM Energy Limited (the "Company") for the year ended 31 December 2015 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standards 101 *Reduced Disclosure Framework* (FRS 101).

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, 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.

Matters on which we are required to report by exception

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

Makhan Chahal ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 November 2016

Income statement
for the year ended 31 December 2015

	Note	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Turnover		2,910	3,027
Operating expenses		(2,916)	(3,045)
Loss on ordinary activities before interest and taxation		(6)	(18)
Interest receivable	5	158	208
Interest payable	6	(51)	(231)
Profit/ (loss) on ordinary activities before taxation		101	(41)
Tax credit on loss on ordinary activities	7	(21)	9
Profit/(loss) for the year		80	(32)

All results are from continuing operations.

There is no other comprehensive income attributable to the shareholder of the Company.

The notes on pages 10 to 20 form part of these financial statements.

Statement of financial position
as at 31 December 2015

	Note	As at 31 December 2015 £'000	As at 31 December 2014 £'000
Current assets			
Debtors	8	5,443	7,418
Deferred tax	7	21	25
Cash at bank and in hand		766	6,753
Total current asset		6,230	14,196
Creditors: Amounts falling due within one year	9	(313)	(8,359)
Net current assets		5,917	5,837
Total assets less current liabilities		5,917	5,837
Net assets		5,917	5,837
Capital and reserves			
Called-up share capital	10	-	-
Retained earnings		5,917	5,837
Equity shareholder's funds		5,917	5,837

The accounting policies and the notes on pages 10 to 20 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 30 November 2016 and were signed ~~on its~~ behalf by:

S Pinnell
Director

S Ihara
Director

Statement of changes in equity
for the year ended 31 December 2015

	Called-up share capital £'000	Retained earnings £'000	Total £'000
Equity shareholder's funds at 1 January 2014	-	5,869	5,869
Loss for the financial year	-	(32)	(32)
Equity shareholder's funds at 31 December 2014	-	5,837	5,837
Profit for the financial year		80	80
Equity shareholder's funds at 31 December 2015	-	5,917	5,917

There was no impact on the net equity shareholder's funds as at 1 January 2014 from the adoption of FRS 101.

The notes on pages 10 to 20 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2015

General information

IPM Energy Limited (the Company) is a limited company incorporated and domiciled in the United Kingdom. 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 pages 1 and 2.

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the prior year are set out below.

a) Basis of preparation
The Company meets the definition of a qualifying entity under FRS (Financial Reporting Standard) 100 issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2015 the Company has changed its accounting framework from UK GAAP to FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council in July 2015 and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

The financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council and in accordance with applicable accounting standards. These financial statements have also been prepared on the going concern basis, and under the historical cost convention.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to;

(a) the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payments (the number and weighted average exercise prices of share options reportable as share-based payments, how the fair value of the goods or services received, or the fair value of the equity instruments granted, during the period was determined, and the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position);
(b) financial instruments as required by IFRS 7 Financial Instruments: Disclosures;
(c) 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 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period);
(d) the following paragraphs of IAS 1 Presentation of Financial Statements:
    i. 10(d) (the requirement to present a statement of cash flows),
    ii. 16 (the requirement to make an explicit and unreserved statement of compliance with IFRSs),
    iii. 38A (the requirement to present a minimum of two primary statements, including cash flow statements),
    iv. 38B-D (the requirement to disclose comparative information for narrative disclosures and for information going beyond the requirements of IFRSs' additional comparative information),
    v. 40A-D (the requirement to present a third statement of financial position),
    vi. 111 (the requirement for disclosure of cash flow information), and
    vii. 134 to 136 (the requirement to disclose the entity's objectives, policies and processes for managing capital);
(e) the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows for the period;
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective; and
(g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Where relevant, equivalent disclosures have been given in the group accounts of ENGIE S.A. (formerly GDF SUEZ S.A.). The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 15.

Notes to the financial statements
for the year ended 31 December 2015 (continued)

1. Accounting policies (continued)

a. Basis of preparation (continued)

The Company's functional currency is sterling. The financial statements of the Company are presented in sterling and are rounded to the nearest thousand pounds.

Adoption of new and revised Standards

As explained above, the Company has adopted FRS 101 for the first time in the current year. As part of this adoption, the Company has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2014. These comprise: Amendments to IAS 36 *Recoverable Amount Disclosures for Non-Financial Assets,* Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting,* IFRIC 21 *Levies,* and Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities.* Their adoption has not had any impact on the disclosures or on the amounts reported in these financial statements.

b. Critical accounting estimates and judgements

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 period.

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:

- Debtors
- Taxation

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 – in the measurement of its financial instruments.

Taxation

The tax expense recorded in the Company's income statement is dependent on the profit for the year and the tax rates in effect at the end of the reporting period, unless new tax rates have been enacted or substantively enacted.

The level of tax expense recognised is also dependent on subjective judgements as to the outcome of decisions to be made by the tax authorities.

Deferred tax assets are recognised on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilised. Estimates of taxable profits and utilisations of tax loss carry-forwards are prepared on the basis of profit and loss forecasts as included in the medium-term business plan and, if necessary, on the basis of additional forecasts.

Notes to the financial statements
for the year ended 31 December 2015 (continued)

1. Accounting policies (continued)

c. Turnover

Turnover comprises the value of sales (excluding VAT) of goods and services in the normal course of business and represents service fees, which are derived from recharges to group undertakings of expenditure incurred in performing marketing, development and asset management services on their behalf.

d. Post-employment benefits

The Company is a member of a defined benefit scheme, but is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As a result the Company accounts for the scheme as if it were a defined contribution scheme as required by IAS 19 *Employee Benefits*, resulting in an amount charged to the income statement equal to the contributions payable to the scheme in respect of the accounting period. The scheme is externally funded with the assets of the scheme held separately from those of the Company in separate Trustee administered funds.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

e. Foreign currencies

Foreign currency transactions are recorded in the functional currency at the exchange rates prevailing on the dates of the transactions. At each reporting date:

- Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The related translation gains and losses are recorded in the income statement for the year to which they relate; and
- Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical cost applicable at the date of the transaction.

f. Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

g. Interest expense

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount.

h. Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

In accordance with IAS 12 *Income Taxes*, deferred taxes are recognised according to the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date. However, no deferred taxes are recognised for temporary differences arising from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting income nor taxable income. In addition, deferred tax assets are only recognised to the extent that it is probable that taxable income will be available against which the deductible temporary difference can be utilised.

Notes to the financial statements for the year ended 31 December 2015 (continued)

1. Accounting policies (continued)

h. Taxation (continued)

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

i. Share-based payments

International Power Ltd., a parent undertaking of the Company, issued equity-settled share based payments to certain staff of IPM Energy Limited. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the date of grant of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on an estimate of the numbers of shares that will eventually vest. The expense settled by International Power Ltd. is treated as a capital contribution from a parent company.

j. Financial instruments

Financial instruments are recognised and measured in accordance with IAS 39.

The Company has no financial assets or liabilities designated as fair value through profit and loss.

Finance costs of financial liabilities are recognised in the profit and loss account over the terms of such investments at a consistent rate on the carrying amount.

Financial assets

Financial assets of the Company comprise loans and receivables carried at amortised cost including trade and other debtors, and financial assets measured at fair value through profit or loss, including derivative financial instruments. The Company determines the classification of its financial assets at initial recognition.

Loans and receivables at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These items primarily include amounts owed by ENGIE group undertakings.

On initial recognition, loans and receivables are recorded at fair value plus transaction costs. At each reporting date, they are measured at amortised cost using the effective interest method.

Impairment losses are recognised based on the estimated risk of non-recovery.

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities include amounts owed to ENGIE group undertakings.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings net of directly attributable transaction costs. These costs are taken into account when calculating the effective interest rate and are therefore recorded in the income statement over the life of the borrowings using the amortised cost method.

Notes to the financial statements
for the year ended 31 December 2015 (continued)

2 Staff cost

The aggregate remuneration of the employees:

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Wages and Salaries	2,228	2,308
Social security costs	250	283
Other pension costs		
Defined benefit plans	352	343
Defined contribution plans	40	48
	2,870	2,982

The average monthly number of employees was:	2015 Number	2014 Number
Administration	8	9
Marketing	11	12
	19	21

3 Directors' remuneration

The Directors did not receive any fees or emoluments from the Company during the year (2014: £nil) directly attributable to their position within the Company. All Directors' fees or emoluments were paid by International Power Ltd. and the amount attributable to the qualifying services provided by the Directors to the Company cannot be reliably estimated.

4 Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the years ended 31 December 2015 and 31 December 2014 was borne by International Power Ltd.

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Auditor's remuneration for the financial year:	8	7

There are no amounts payable to the Company's auditors for non-audit services (2014: £nil).

5 Interest receivable

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Bank interest receivable	6	11
Interest receivable from ENGIE group undertakings	152	197
Total interest receivable	158	208

Notes to the financial statements
for the year ended 31 December 2015 (continued)

6 Interest payable

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest payable to ENGIE group undertakings	51	231
Total interest payable	51	231

7 Taxation

a) Tax charge on profit/(loss) on ordinary activities

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Current tax:		
UK corporation tax	(16)	15
Prior year tax adjustment	(1)	-
Total current income tax (charge)/credit	(17)	15
Deferred tax:		
Reversal of temporary differences	(4)	(6)
Total deferred tax charge	(4)	(6)
Total current tax (charge)/credit on ordinary activities	(21)	9

b) Reconciliation of the total tax (charge)/credit

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Profit/(loss) on ordinary activities before taxation	101	(41)
Current tax charge at 20.25% (2014: 21.5%)	(20)	9
Prior year tax adjustment	(1)	-
Total current tax (charge)/credit on ordinary activities	(21)	9

The current year applicable statutory tax rate of 20.25% represents a weighted average rate based on 21% applicable for the three months to 31 March 2015, and 20% applicable from 1 April 2015. The prior year applicable statutory tax rate of 21.5% represents a weighted average rate based on 23% applicable for the three months to 31 March 2014, and 21% applicable from 1 April 2014.

Notes to the financial statements
for the year ended 31 December 2015 (continued)

7 Taxation (continued)

c) Deferred tax

The deferred tax asset included in the statement of financial position is derived as follows:

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
At beginning of year	25	31
Charged to the income statement	(4)	(6)
At end of year	21	25

8 Debtors:

	31 December 2015 £'000	31 December 2014 £'000
Amounts owed by group undertakings – loan	4,624	6,790
Amounts owed by ENGIE group undertakings – current account	699	463
Amounts owed by group undertakings –interest	104	149
Prepayments and accrued income	16	16
	5,443	7,418

Amounts owed by 'ENGIE group undertakings – loan' are unsecured, subject to floating rates of interest plus a margin.

Included within 'ENGIE group undertakings – current account' are balances totalling £322,000 (2014:£nil) which are subject to floating rates of interest plus a margin.

Included within 'ENGIE group undertakings – current account' are balances totalling £377,000 (2014:£463,000) which are interest free.

9 Creditors: Amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	31 December 2015 £'000	31 December 2014 £'000
Amounts owed to group undertakings – loan	-	7,978
Amounts owed to group undertakings –interest	-	175
Corporation tax	36	20
Social security and PAYE	63	60
VAT	115	105
Accruals and deferred income	99	21
	313	8,359

Amounts owed to ENGIE group undertakings - loan are unsecured, subject to floating rates of interest plus a margin.

Notes to the financial statements
for the year ended 31 December 2015 (continued)

10 Called-up share capital

	31-December-2015	31-December-2014
	£	£
Allotted, called-up and fully paid		
2 ordinary shares of £1 each	2	2

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

11 Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: £nil).

12 Employee benefits

Defined contribution schemes
The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charge to profit or loss in the year ended 31 December 2015 was £40,000 (2014: £48,000)

Defined benefit schemes
The majority of pensions for the staff are funded through an industry-wide scheme, the Electricity Supply Pension Scheme ('ESPS'), which is a defined benefit scheme with assets invested in separate trustee administered funds. The ESPS is divided into sections. Certain employees of Company Limited are part of the First Hydro Company section of the ESPS.

As the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis it accounts for the scheme as if it were a defined contribution scheme.

The amount charged to the Company's profit and loss account represents the contributions of £352,000 (2014: £343,000) payable to the scheme in respect of the accounting period.

During the year, First Hydro Company Limited, paid contributions to the First Hydro section of the ESPS ('the Scheme') as advised by its actuary of £5,134,000.

The Company expects to make contributions to the Scheme of approximately £321,000 during 2016.

The Company has provided the following disclosures, which are in respect of the Scheme.

The actuarial valuation of the Scheme at 31 March 2013 has been updated by independent qualified actuaries to take account of IAS 19 reporting requirements for assessing liabilities of the Scheme at 31 December 2015.

The amount of any funding deficit identified by the Scheme actuary is taken into account when determining the contribution rate applying to all employers participating in the Scheme. Following the 2013 funding valuation, the required future service contribution rate for the Company for the main section of the Scheme was 33.5% of pensionable pay.

First Hydro Company, the employer who sponsors the Scheme, has agreed to eliminate, through a recovery plan, the funding shortfall of the Scheme. In addition to the usual contributions to meet accruing benefits contributions of £2,850,000 were made during the year (2014: £3,800,000).

Notes to the financial statements
for the year ended 31 December 2015 (continued)

12 Employee benefits (continued)

Financial Assumptions Used to Determine Benefit Obligation:

	2015 (% p.a.)	2014 (% p.a.)
Discount rate	4.0	3.6
Rate of increase in salaries	3.7	3.9
Inflation	3.2	3.3
Rate of increases to pensions in payment	3.0	3.2
Rate of increase in deferred pensions	3.2	3.4

Scheme assets are stated at their market value at 31 December 2015:

	31 December 2015 £'000	31 December 2014 £'000
Equities	49,811	71,275
Bonds	32,411	17,640
Other	31,502	21,418
Total market values of assets	**113,724**	**110,333**

The following amounts were measured in accordance with the requirements of IAS 19:

	31 December 2015 £m	31 December 2014 £m
Total market value of assets	113,724	110,333
Present value of scheme liabilities	(111,753)	(120,501)
Surplus/deficit in the scheme	1,971	(10,168)
Related deferred tax asset	(331)	2,034
Net pension asset/(liability)	1,640	(8,134)

Notes to the financial statements
for the year ended 31 December 2015 (continued)

13 Explanation of transition to FRS 101

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant UK GAAP. These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with the requirements of FRS 101.

Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in note 1.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6-33 of IFRS 1 First-time Adoption of International Financial Reporting Standards, as required under paragraph 7A of FRS 101.

In preparing these financial statements, the Company has started from an opening statement of financial position as at 1 January 2014 and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. The transition to FRS 101 has no impact on the opening position which was previously prepared in accordance with the previous UK GAAP basis of accounting. The transition to FRS 101 has no impact on the cash flows of the Company.

14 Related party disclosures

Transactions entered into, and balances outstanding at 31 December with related parties, are as follows:

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Rendering services		
Parent	2,637	2,741
Other related parties	273	286
	2,910	3,027

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest income		
Other related parties	151	196

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000
Interest expense		
Other related parties	44	231

	31 December 2015 £'000	31 December 2014 £'000
Amounts owed to related parties		
Other related parties	-	8,153

Notes to the financial statements
for the year ended 31 December 2015 (continued)

14 Related party disclosures (continued)

	31 December 2015 £'000	31 December 2014 £'000
Amounts owed by related parties		
Other related parties	4,728	6,939

Other related parties comprise fellow subsidiaries of ENGIE S.A. not owned by the Company.

Terms and conditions of transactions and balances with related parties

Services rendered to related parties are provided at cost.

Loans between related parties are made on an arm's length basis. Outstanding balances with subsidiaries are unsecured. Terms and conditions for transactions with subsidiaries are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. During the year ended 31 December 2015, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2014: nil).

15 Ultimate parent company

The immediate parent company of IPM Energy Limited is Normantrail (UK Co.3) Limited which is incorporated in the UK and owns 100% of the ordinary share capital.

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 2015 and the year ended 31 December 2014. The consolidated financial statements of ENGIE S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

16 Subsequent events

There have been no significant events since the reporting date which should be considered for a proper understanding of these financial statement.