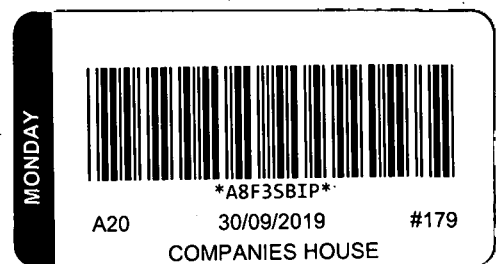


Registered number: 2756997

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	D Alcock S Pinnell
Company secretary	S Gregory
Registered number	2756997
Registered office	Level 20 25 Canada Square London E14 5LQ
Independent auditor	Ernst & Young LLP Citygate St James' Boulevard Newcastle upon Tyne NE1 4JD

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

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INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

The Directors present their Strategic report of International Power Global Developments Limited (the Company) for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to identify and develop overseas investment opportunities, via overseas branches and representative offices in Pakistan and Indonesia.

The Company is a private company limited by shares.

BUSINESS REVIEW

The loss for the financial year after taxation amounted to €12,729,000 (2017: profit of €19,697,000).

As shown in the income statement on page 8, the Company made a loss of €12,729,000 for the financial year ended 31 December 2018 compared to a profit of €19,697,000 for the preceding financial year. This movement is predominantly due to a reduction in the tax credit in the current financial year.

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 shareholder's deficit has increased from €9,044,000 to €21,773,000 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:

Going concern risk

The Company had a shareholder's deficit of €21,773,000 as at 31 December 2018 (2017: deficit of €9,044,000). The Directors have considered the application of the going concern basis of accounting. In making this assessment the Directors have considered the intention of International Power Consolidated Holdings Limited to provide financial support to the Company in the conduct of its ordinary business for a period of twelve months from the date of approval of these financial statements. The Directors, having assessed the responses of International Power Consolidated Holdings Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to fulfil its financial obligations. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Credit risk

With respect to treasury activities, the Company's financial counterparty credit exposure is principally limited to cash pooling arrangements with ENGIE Treasury Management S.a.r.l., also included within 'Amounts owed by group undertakings - current accounts'. This results in a concentration of risk to the ENGIE group, but the risk of default remains low given ENGIE's strong credit rating.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Currency risk

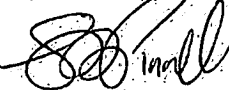
The Company is exposed to foreign exchange translation risk arising from the results and net assets of foreign branches which have non-euro functional currencies. It is not the Company's policy to hedge this exposure through foreign exchange contracts or currency swaps. In the context of the Company's activities and the support offered by International Power Consolidated Holdings Limited, the Directors have assessed this exposure to currency risk as acceptable.

The Company's currency risk mainly relates to the UK and Pakistan group relief recoverable and payable balances which are denominated in sterling and Pakistan rupees, respectively. The Company had a sterling group relief recoverable balance of £26,759,000 (€30,200,000) (2017: £31,425,000 (€35,799,000)) and a Pakistani rupee payable of PKR 1,519,670,000 (€8,896,000) (2017: PKR 2,014,000,000 (€22,207,000)). The Company does not have sufficient foreign currency liabilities/assets to offset these foreign exchange exposures. It is not the Company's policy to hedge currency translation exposures through foreign exchange contracts or currency swaps. Although the foreign currency tax balances create volatility in earnings from period to period, the Directors have assessed this exposure as acceptable.

Interest rate risk

The Company has interest-bearing assets which are primarily cashpool balances with ENGIE group undertakings. As at 31 December 2018, interest bearing assets with a carrying value of €9,809,000 (2017: €8,010,000) earned interest at floating rates plus a margin. Although the rates of interest are variable and create volatility in earnings from period to period, the Directors have assessed this risk as acceptable.

This report was approved by the board on 30 September 2019 and signed on its behalf.



S Pinnell
Director

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the audited financial statements of International Power Global Developments Limited (the Company) for the year ended 31 December 2018.

MATTERS COVERED IN THE STRATEGIC REPORT

The following information has been disclosed in the Strategic report:

- Principal activities
- Business review
- Principal risks and uncertainties including going concern

RESULTS AND DIVIDENDS

The loss for the financial year, after taxation, amounted to €12,729,000 (2017: profit of €19,697,000).

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2018 (2017: €nil).

DIRECTORS

The Directors who served during the year and up to the date of signing the financial statements were:

D Alcock (appointed 1 October 2018)
S Pinnell
S Gregory (appointed 7 June 2019; resigned 31 August 2019)
S Mingham (resigned 10 May 2019)
J Sandhu (resigned 30 September 2018)

SHARE CAPITAL

The Company's share capital comprises 100 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.

FUTURE DEVELOPMENTS

The Company has no significant future developments to report.

EMPLOYEES

Details of the number of employees and related costs can be found in note 6 to the financial statements.

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.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

INDEPENDENT AUDITOR

During the year, Ernst & Young LLP was appointed as the Company's auditor and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'S Pinnell', is written over a horizontal line.

S Pinnell
Director

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements of International Power Global Developments Limited (the Company) in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements of International Power Global Developments Limited (the Company) for each financial year. Under that law the Directors have elected to prepare the financial statements of International Power Global Developments Limited (the Company) in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements of International Power Global Developments Limited (the Company) 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 International Power Global Developments 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 INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of International Power Global Developments Limited (the Company) for the year ended 31 December 2018 which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 18, 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 2018 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 United Kingdom, 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.

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.

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
30 September 2019

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €000	2017 €000
Administrative expenses		(23,405)	(24,010)
Other operating income		9,477	9,591
Operating loss	4	(13,928)	(14,419)
Interest receivable and similar income	8	141	78
Loss before tax		(13,787)	(14,341)
Tax on loss	9	1,058	34,038
(Loss)/profit for the financial year		(12,729)	19,697

There were no recognised gains and losses for 2018 or 2017 other than those included in the income statement.

The notes on pages 11 to 22 form part of these financial statements.

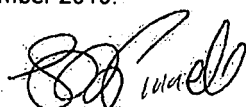
All results are from continuing operations.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED
REGISTERED NUMBER: 2756997

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 €000	2017 €000
Fixed assets			
Tangible assets	10	205	286
		<u>205</u>	<u>286</u>
Current assets			
Debtors: amounts falling due within one year	11	40,226	44,998
Cash at bank and in hand		114	433
		<u>40,340</u>	<u>45,431</u>
Creditors: amounts falling due within one year	12	(62,318)	(54,761)
Net current liabilities		<u>(21,978)</u>	<u>(9,330)</u>
Total assets less current liabilities		<u>(21,773)</u>	<u>(9,044)</u>
Capital and reserves			
Called up share capital	13	-	-
Share premium account	14	83,802	83,802
Profit and loss account	14	(105,575)	(92,846)
Total shareholder's deficit		<u>(21,773)</u>	<u>(9,044)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2019.



S Pinnell
Director

The notes on pages 11 to 22 form part of these financial statements.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital €000	Share premium account €000	Profit and loss account €000	Total shareholder's deficit €000
At 1 January 2017	-	83,802	(112,543)	(28,741)
Profit for the financial year	-	-	19,697	19,697
At 1 January 2018	-	83,802	(92,846)	(9,044)
Loss for the financial year	-	-	(12,729)	(12,729)
At 31 December 2018	-	83,802	(105,575)	(21,773)

The notes on pages 11 to 22 form part of these financial statements.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

International Power Global Developments 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 principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

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).

Changes in accounting policy and disclosures

a) New standards, amendments and interpretations

The Company has applied IFRS 15 '*Revenue from contracts with customers*', IFRS 9 '*Financial instruments*' and the *Annual Improvements 2014-2016 cycle* for the first time for the reporting period commencing 1 January 2018. The application of these standards did not have a material impact on the Company.

(b) New standards, amendments and interpretations not yet adopted

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not for an accounting period that begins on or after 1 January 2018.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the financial statements of the Company.

The following principal accounting policies have been applied:

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

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 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

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 18.

2.3 Going concern

The Company had a shareholder's deficit of €21,773,000 as at 31 December 2018 (2017: deficit of €9,044,000). The Directors have considered the application of the going concern basis of accounting. In making this assessment the Directors have considered the intention of International Power Consolidated Holdings Limited to provide financial support to the Company in the conduct of its ordinary business for a period of twelve months from the date of approval of these financial statements. The Directors, having assessed the responses of International Power Consolidated Holdings Limited to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to fulfil its financial obligations. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is Euros and 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'interest receivable and similar income'.

2.5 Other operating income

Other operating income relates to the service income for success fees from the Pakistan branch, foreign exchange movements and loan waivers granted to the Company.

2.6 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2.7 Development expenditure

All development expenditure incurred by the Company in pursuing potential investment opportunities is expensed to the Income Statement as it is incurred. Where such activities result in financial close or similar successful determination, the Company will transfer the investment opportunity to the ultimate investor and will receive compensation from the ultimate investor in return for the project development services. This compensation is disclosed within other operating income.

2.8 Taxation

Tax is recognised in the Income Statement, except that a 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.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

2.9 Depreciation and amortisation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The depreciation charge during the year was based on the following estimates of useful lives:

Plant and machinery	3-5 years
---------------------	-----------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and 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.

2.11 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 selling the financial assets, 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.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (continued)

2.11 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 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:

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 – in the measurement of its financial instruments. The carrying amount of the debtors at the reporting date was €40,226,000 (2017: €44,998,000).

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. OPERATING LOSS

The operating loss is stated after charging:

	2018	2017
	€000	€000
Depreciation of tangible fixed assets	(95)	(92)

5. AUDITOR'S REMUNERATION

The auditor's remuneration in respect of the statutory audit of the Company for the year ended 31 December 2018 and 31 December 2017 was borne by International Power Ltd. The remuneration for the audit of the Pakistan branch was not.

The auditor's remuneration was as follows:

	2018	2017
	€000	€000
Auditor's remuneration for the financial year	5	6
Audit of the financial statement of the Pakistan branch	1	5
	6	11

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 2018 which can be obtained from level 20, 25 Canada Square, London, E14 5LQ, United Kingdom.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. EMPLOYEES

Staff costs were as follows:

	2018 €000	2017 €000
Wages and salaries	2,102	1,531
Social security costs	406	472
	<u>2,508</u>	<u>2,003</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2018 Number	2017 Number
Administration	<u>15</u>	<u>16</u>

7. DIRECTORS' REMUNERATION

The Directors did not receive any fees or emoluments from the Company during the year (2017: €nil) directly attributable to their position within the Company. There exist no qualifying services from Directors attributable to the Company and Director fees are paid by other entities in their management of the group as a whole (of which €nil is applicable to this entity).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 €000	2017 €000
Interest receivable from group undertakings	11	2
Net foreign exchange gain	130	76
	<u>141</u>	<u>78</u>

Group undertakings are subsidiaries of ENGIE S.A.

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. TAXATION

	2018	2017
	€000	€000
Corporation tax		
Current tax credit on loss for the year	(2,848)	(33,664)
Adjustments in respect of previous periods	1,790	(374)
Total current tax credit	(1,058)	(34,038)

Factors affecting tax credit for the year

The current year applicable statutory tax rate is 19%.

The prior year applicable statutory tax rate was 19.25% representing a weighted average rate based on 20% for the three months to 31 March 2017 and 19% applicable from 1 April 2017.

The tax assessed for the year is lower than (2017: *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are explained below:

	2018	2017
	€000	€000
Loss before tax	(13,787)	(14,341)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(2,620)	(2,761)
Effects of:		
Foreign tax	(483)	6,955
UK prior year tax adjustment	1,790	(374)
Expenses not deductible for tax	23	17
Non-taxable foreign exchange movement	242	1,185
Provisions for overseas uncertain tax positions	-	(39,060)
Temporary differences not recognised	(10)	-
Total tax credit for the year	(1,058)	(34,038)

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. TAXATION (continued)

Factors that may affect future tax expenses

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance (No. 2) Act 2015 (on 26 October 2015) and the Finance Act 2016 (on 6 September 2016). These included reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. This will reduce the Company's tax expenses accordingly.

The value of unused tax losses for which no deferred tax asset has been recognised is €113,000.

10. TANGIBLE FIXED ASSETS

	Plant and machinery €000
Cost	
At 1 January 2018	510
Additions	14
At 31 December 2018	<u>524</u>
Depreciation	
At 1 January 2018	224
Charge for the year	95
At 31 December 2018	<u>319</u>
Net book value	
At 31 December 2018	<u>205</u>
At 31 December 2017	<u>286</u>

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 €000	2017 €000
Trade debtors	1	1,010
Amounts owed by group undertakings - current accounts	9,809	8,010
Other debtors	216	179
Group relief recoverable	30,200	29,603
Overseas tax recoverable	-	6,196
	<u>40,226</u>	<u>44,998</u>

'Amounts owed by group undertakings - current accounts' are unsecured, subject to floating rates of interest plus a margin and repayable on demand.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 €000	2017 €000
Trade creditors	6,911	7,562
Amounts owed to group undertakings - loan	44,442	23,884
Overseas tax	8,896	22,007
Other creditors	1,397	730
Accruals and deferred income	672	578
	<u>62,318</u>	<u>54,761</u>

'Amounts owed to ENGIE group undertakings - loan' are unsecured, interest free and repayable on demand.

13. SHARE CAPITAL

	2018 €000	2017 €000
Allotted, called up and fully paid		
100 (2017: 100) Ordinary shares of £1.00 each	<u>-</u>	<u>-</u>

The share capital represents the ordinary shares in the Company which carry rights to participate in the distribution of dividends or capital of the Company.

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

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

14. RESERVES

Share premium account

The share premium account represents the difference between the issue price and the nominal value of shares issued.

Profit and loss account

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

15. RELATED PARTY TRANSACTIONS

As at 31 December 2018 and 31 December 2017, the Company was a wholly owned subsidiary of International Power Consolidated Holdings Limited 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 other wholly owned entities of ENGIE S.A. There are no transactions with related parties that are not wholly owned by ENGIE S.A.

The balances outstanding with related parties are as follows:

	2018 €000	2017 €000
Amounts owed by related parties		
Other related parties	9,809	8,010
	<u>9,809</u>	<u>8,010</u>
Amounts owed to related parties		
Parent - International Power Ltd.	44,442	23,884
	<u>44,442</u>	<u>23,884</u>

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

Amounts owed by and to other related parties are on an arm's length basis.

16. POST BALANCE SHEET EVENTS

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

INTERNATIONAL POWER GLOBAL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

17. CONTROLLING PARTY

The Company's immediate parent undertaking is International Power Consolidated Holdings Limited, 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 2018 and the year ended 31 December 2017. 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.