

Registered number: 03141679

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## INTERNATIONAL POWER (UCH) SERVICES LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

D Alcock  
A Pollins

**COMPANY SECRETARY**

N Anderson

**REGISTERED NUMBER**

03141679

**REGISTERED OFFICE**

Rooms 481-499 Second Floor  
Salisbury House  
London Wall  
London  
EC2M 5SQ

**INDEPENDENT AUDITOR**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
United Kingdom  
NE1 4JD

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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## INTERNATIONAL POWER (UCH) SERVICES 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 International Power (Uch) Services Limited (the Company) for the year ended 31 December 2020.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of project support services to Uch Power (Private) Limited which owns a 551MW combined cycle gas turbine power station in Pakistan. The Company is a private company limited by shares.

#### BUSINESS REVIEW

The profit for the financial year after taxation amounted to €45,000 (2019: €122,000).

As shown in the income statement on page 8, there is a reduction in profit for the financial year ended 31 December 2020 compared to the profit in the preceeding financial year. This is mainly due to a reduction in turnover and a foreign exchange loss being recognised 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 net assets have increased from €3,023,000 to €2,978,000 due to the profit 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:

##### 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'. The Company continually reviews the credit risk associated with this position, taking into consideration the impact of the current pandemic when assessing expected credit losses. This results in a concentration of risk to the ENGIE group, but the risk of default remains low given ENGIE's strong credit rating.

##### Currency risk

The Company has transactions in currencies other than its functional currency. Transaction exposures arise from income receivable in US dollars for the provision of support services to Uch Power (Private) Limited in Pakistan. The Directors have assessed the exposure to currency transaction risk as acceptable.

The Company has translation risk on monetary assets and liabilities denominated in currencies other than its functional currency. As at 31 December 2020 the Company has group relief payable denominated in sterling totalling £36,000 (€40,000) (2019: group relief payable of £16,000 (€19,000)) and a cashpool balance denominated in US dollars of US\$528,000 (€430,000) (2019: US\$526,000 (€468,000)). The Company does not have sufficient foreign currency liabilities to offset this foreign exchange exposure. It is not the Company's policy to hedge currency translation exposures through foreign exchange contracts or currency swaps. Although the net foreign currency asset creates volatility in earnings from period to period, the Directors have

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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

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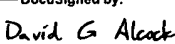
assessed this exposure as acceptable.

**Interest rate risk**

The Company has interest-bearing assets in the form of intercompany balances with ENGIE group undertakings.

As at 31 December 2020 interest-bearing assets with a nominal value of €2,440,000 (2019: €2,482,000) 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 8 November 2021 and signed on its behalf.

DocuSigned by:  
  
D Alcock  
Director

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## INTERNATIONAL POWER (UCH) SERVICES 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 audited financial statements of International Power (Uch) Services Limited (the Company) for the year ended 31 December 2020.

#### RESULTS AND DIVIDENDS

The loss for the financial year, after taxation, amounted to €45,000 (2019: profit €122,000).

#### DIRECTORS

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

D Alcock  
S Pinnell (resigned 31 July 2020)  
A Pollins (appointed 1 July 2020)

#### SHARE CAPITAL

The Company's share capital comprises 2 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.

#### FUTURE DEVELOPMENTS

The Company has no significant future developments to report.

#### EMPLOYEES

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

#### DISCLOSURE OF INFORMATION TO AUDITOR

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

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

#### INDEPENDENT AUDITOR

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

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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

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This report was approved by the board on 8 November 2021 and signed on its behalf.

DocuSigned by:  
*David G Alcock*  
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**D Alcock**  
Director

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**INTERNATIONAL POWER (UCH) SERVICES 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 audited financial statements of International Power (Uch) Services Limited (the Company) in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements of International Power (Uch) Services Limited (the Company) for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 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 International Power (Uch) Services 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 (UCH) SERVICES LIMITED**

### **Opinion**

We have audited the financial statements of International Power (Uch) Services 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.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL POWER (UCH) SERVICES LIMITED (CONTINUED)**

### **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 focused on:

- Obtaining 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.
- Understanding 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.
- Assessing the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- Designing, based on this understanding, 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  
12 November 2021

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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

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	<b>Note</b>	<b>2020 €000</b>	<b>2019 €000</b>
Turnover	4	148	185
Administrative expenses		(3)	-
<b>Operating profit</b>		<b>145</b>	<b>185</b>
Amortisation of intangible assets	10	(131)	(130)
Interest receivable and similar income	5	2	6
Other finance (expense)/ income	6	(40)	2
<b>(Loss)/profit before tax</b>		<b>(24)</b>	<b>63</b>
Tax on (loss)/profit	9	(21)	59
<b>(Loss)/profit for the financial year</b>		<b>(45)</b>	<b>122</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the income statement.


The notes on pages 11 to 20 form part of these financial statements.

**INTERNATIONAL POWER (UCH) SERVICES LIMITED**  
**REGISTERED NUMBER: 03141679**

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

	Note	2020 €000	2019 €000
<b>Fixed assets</b>			
Intangible assets	10	391	522
		<u>391</u>	<u>522</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	2,627	2,520
		<u>2,627</u>	<u>2,520</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(40)	(19)
		<u>2,587</u>	<u>2,501</u>
<b>Net current assets</b>			
		<u>2,587</u>	<u>2,501</u>
<b>Total assets less current liabilities and net assets</b>		<u>2,978</u>	<u>3,023</u>
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	2,978	3,023
		<u>2,978</u>	<u>3,023</u>
<b>Total equity</b>		<u>2,978</u>	<u>3,023</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 November 2021.

DocuSigned by:  
  
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**D Alcock**  
Director

The notes on pages 11 to 20 form part of these financial statements.

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**INTERNATIONAL POWER (UCH) SERVICES 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	Profit and loss account €000	Total equity €000
<b>At 1 January 2019</b>	-	2,901	2,901
Profit for the financial year	-	122	122
<b>At 1 January 2020</b>	-	3,023	3,023
Profit for the financial year	-	(45)	(45)
<b>At 31 December 2020</b>	-	2,978	2,978

The notes on pages 11 to 20 form part of these financial statements.

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## INTERNATIONAL POWER (UCH) SERVICES LIMITED

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

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#### 1. GENERAL INFORMATION

International Power (Uch) Services 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).

The Company is a wholly owned subsidiary of International Power Holdings Limited 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. 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 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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**INTERNATIONAL POWER (UCH) SERVICES 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.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentation currency is euro. 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 profit or loss 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 'finance income'.

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**INTERNATIONAL POWER (UCH) SERVICES 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 Other operating income**

For services provided under technical service agreements or for other operating income from subsidiary undertakings or participating interests, income is recognised over time as the services are rendered. The stage of completion is assessed on the basis of the actual service provided as a proportion of the total services to be provided.

**2.6 Impairment of fixed assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.7 Interest income**

Finance costs are charged to profit or loss 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.

**2.8 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 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.

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Annual service agreement	-	27	years
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**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:



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**INTERNATIONAL POWER (UCH) SERVICES 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 and financial liabilities are initially measured at fair value in accordance with IFRS 9.

**Financial assets**

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

**Debt instruments at amortised cost**

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

**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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**INTERNATIONAL POWER (UCH) SERVICES 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)**

**2.11 Fixed assets investments**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**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 the recoverable amounts of debtors and the recoverable amount of intangible fixed assets.

**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 €2,627,000 (2019: €2,520,000).

**Recoverable amount of intangible fixed assets**

Determining whether the Company's intangible fixed asset has been impaired requires estimation of the assets' value in use. The value in use calculations require the entity to estimate the future cash flows expected to be generated from the asset and a suitable discount rate in order to calculate present values. The carrying amount of the asset at the reporting date was €390,000 (2019: €522,000).

**4. TURNOVER**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Services provided to group undertakings	<b>148</b>	<b>185</b>

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Interest receivable from group undertakings	<u>2</u>	<u>6</u>

Group companies are subsidiaries of ENGIE S.A.

**6. OTHER FINANCE (EXPENSE)/INCOME**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Net foreign exchange (loss)/gain	<u>(40)</u>	<u>2</u>

**7. DIRECTORS' AND EMPLOYEES' 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 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. AUDITOR'S REMUNERATION**

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2020 and 31 December 2019 was borne by International Power Ltd.

The auditor's remuneration was as follows:

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Auditor's remuneration for the financial year	<u>3</u>	<u>2</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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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**


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


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**9. TAXATION**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
<b>Corporation tax</b>		
Current tax credit on loss/(profit) for the year	<b>2</b>	<b>(80)</b>
Adjustments in respect of previous periods	<b>-</b>	<b>(1)</b>
	<b>2</b>	<b>(81)</b>
<b>Foreign tax</b>		
Foreign tax on income for the year	<b>19</b>	<b>22</b>
<b>Total current tax credit</b>	<b>21</b>	<b>(59)</b>

**Factors affecting tax credit for the year**

The current and prior year applicable statutory tax rate is 19%.

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
(Loss)/profit before tax	<b>(24)</b>	<b>63</b>
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>(5)</b>	<b>12</b>
<b>Effects of:</b>		
Prior year tax adjustment	<b>-</b>	<b>(1)</b>
Overseas tax	<b>-</b>	<b>22</b>
Double taxation relief	<b>-</b>	<b>(22)</b>
Items non-deductible for tax purposes	<b>25</b>	<b>25</b>
Foreign exchange loss on tax balances	<b>1</b>	<b>(95)</b>
<b>Total tax credit for the year</b>	<b>21</b>	<b>(59)</b>

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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**9. TAXATION (continued)**

**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.

**10. INTANGIBLE FIXED ASSETS**

	<b>Annual service agreement €000</b>
<b>Cost</b>	
At 1 January 2020	9,339
At 31 December 2020	<u>9,339</u>
<b>Amortisation</b>	
At 1 January 2020	8,817
Charge for the year	131
At 31 December 2020	<u>8,948</u>
<b>Net book value</b>	
At 31 December 2020	<u>391</u>
At 31 December 2019	<u>522</u>

Intangible fixed assets consist of an amount paid for future income under an annual service agreement contract which is being amortised on a straight-line basis over the life of the contract until December 2023.

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Amounts owed by group undertakings - current account	<b>2,440</b>	2,482
Accrued income	<b>187</b>	38
	<u><b>2,627</b></u>	<u>2,520</u>

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

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
Group relief payable	<b>40</b>	19
	<u><b>40</b></u>	<u>19</u>

**13. SHARE CAPITAL**

	<b>2020</b>	<b>2019</b>
	<b>€000</b>	<b>€000</b>
<b>Issued and called up share capital</b>		
2 (2019: 2) 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 all rights, including dividend, voting and return of capital.

**14. RESERVES**

**Profit and loss account**

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

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**INTERNATIONAL POWER (UCH) SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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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 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.

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>
<b>Amounts owed by related parties</b>		
Other related parties	<b>2,509</b>	<b>2,482</b>
<b>Amounts owed to related parties</b>		
Other related parties	<b>-</b>	<b>(19)</b>
	<hr/>	<hr/>

Loans between related parties are made on arm's length basis.

**16. CONTROLLING PARTY**

The Company's immediate parent undertaking is International Power 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 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.