

National Power (Kot Addu) Limited

Company No: 3184309

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2013



Strategic report

The Directors present the Strategic report of National Power (Kot Addu) Limited (the Company) for the year ended 31 December 2013.

The Company's intermediate parent company, International Power Ltd. was known formerly as International Power plc until 19 March 2013 when it re-registered as International Power Ltd..

Principal activities

The principal activity of the Company was that of an investment holding company with an investment in Kot Addu Power Company Limited, which was disposed of during the financial year.

Business review

The results of the Company are as follows:

	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
(Loss)/profit for the financial year	(4,162)	16,727

As shown in the profit and loss account on page 8, the loss for the financial year was generated by the sale of its investment in Kot Addu Power Company, together with a reduction in dividend income received compared to the previous year.

The balance sheet on page 9 of the financial statements shows the Company's financial position at the year end. The net assets have decreased from €117,083,000 to €105,478,000 as a result of the loss for the financial year and the dividends paid.

Acquisitions and disposals

On 25 July 2013 the Company sold its entire investment in Kot Addu Power Company Limited for PKR 14.6 billion (€107 million).

Principal risks and uncertainties*Currency risk*

The Company has transactions in currencies other than its local currency. Transaction exposures arise when dividends or other funds are remitted from the Company's overseas investees. The Directors have assessed the exposure to currency transaction risk as acceptable.

The Company has translation risk on monetary assets denominated in currencies other than its local currency. The Company's corporation tax assets are recorded in sterling. 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 sterling tax assets create volatility in earnings from period to period, the Directors have assessed this exposure as acceptable.

Credit risk

The Company's principal financial assets are amounts owed by group undertakings. The Company's credit risk is primarily attributable to its amounts owed by group undertakings. An allowance for impairment is made where these amounts are assessed as irrecoverable, based on a review of the liquidity position of other group companies. In the case of this Company, amounts owed by group undertakings are assessed to be recoverable.

Employees

The Company had no employees (2012: none), and incurred no related costs in the financial year (2012: €nil).

Events after the end of the reporting period

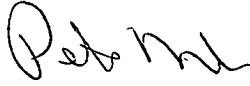
There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Strategic report (continued)

Future developments

The Company has no significant future developments to report.

By order of the Board

A handwritten signature in black ink, appearing to read 'P D Ash', written over a horizontal line.

**P D Ash
Director
29 September 2014**

Directors' report

The Directors present their report and audited financial statements of National Power (Kot Addu) Limited for the year ended 31 December 2013.

Information disclosed in the Strategic report

The following information has been disclosed in the Strategic report:

- Principal activities
- Business review
- Acquisitions and disposals
- Principal risks and uncertainties, including Going concern
- Employees
- Events after the end of the reporting period
- Future developments

Dividends

Dividends of €6,983,000 and €460,000 (2012: €16,705,000), proposed by the Directors, were paid on 22 April 2013 and 25 October 2013 respectively, in respect of the year ended 31 December 2013.

Directors

The Directors who held office during the financial year and to the date of this report were as follows:

G H A Peeters	(resigned 14 May 2013)
P J B Guiollot	(appointed 14 May 2013)
P Ash	(appointed 1 November 2013)
M Proudlove	(appointed 1 November 2013)

Directors' and officers' liability insurance

During the year ended 31 December 2013, the Company's ultimate parent company, GDF SUEZ S.A., maintained insurance for the Directors to indemnify them against certain liabilities which they may incur in their capacity as Directors or officers of the Company, including liabilities in respect of which the Company itself is unable to provide an indemnity.

Political donations

The Company did not make any political donations during the year (2012: €nil).

Share capital

The Company's share capital consists of two 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

The Company's activities, together with the factors likely to affect its future development and position, are set out above. 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.

Disclosure of information to auditor

Deloitte LLP was appointed as the Company's statutory auditor for 2013. The Directors who held office at the date of approval of this Directors' report confirm 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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

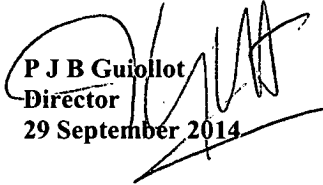
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

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


P J B Guiollot
Director
29 September 2014

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 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; 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 National Power (Kot Addu) Limited

We have audited the financial statements of National Power (Kot Addu) Limited for the year ended 31 December 2013 which comprise the Profit and loss account, the Balance sheet, the Reconciliation of movements in shareholder's funds and the related notes 1 to 13. 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).

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 auditors

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 Strategic report and Directors' 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 2013 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountant and Statutory Auditor
London, United Kingdom

30th September 2014

**Profit and loss account
for the year ended 31 December 2013**

		Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
	Note		
Income from participating interests	4	7,549	18,059
Loss on disposal of participating interests	7	(11,146)	-
(Loss)/profit on ordinary activities before interest and taxation		(3,597)	18,059
Interest receivable and similar income	5	7	13
(Loss)/profit on ordinary activities before taxation		(3,590)	18,072
Tax charge on (loss)/profit on ordinary activities	6	(572)	(1,345)
(Loss)/profit for the financial year		(4,162)	16,727

All results are from continuing operations.

The Company had no other recognised gains or losses in the current or preceding financial year.

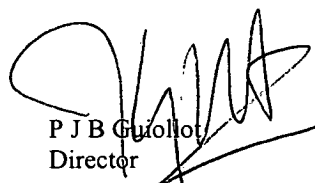
The notes on pages 11 to 15 form part of these financial statements.

Balance sheet
as at 31 December 2013

	Note	31 December 2013 €'000	31 December 2012 €'000
Fixed assets			
Investments	7	-	116,624
Total fixed assets		-	116,624
Current assets			
Debtors: amounts falling due within one year	8	105,478	459
Total current assets and net current assets		105,478	459
Total assets less current liabilities and net assets		105,478	117,083
Capital and reserves			
Called up share capital	9,10	-	-
Capital reserve	10	83,000	83,000
Profit and loss account	10	22,478	34,083
Equity shareholder's funds		105,478	117,083

The notes on pages 11 to 15 form part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 29 September 2014 and signed on its behalf by:


P J B Guillon
Director

**Reconciliation of movements in shareholder's funds
for the year ended 31 December 2013**

	Note	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
Shareholder's funds at beginning of the year		117,083	117,061
(Loss)/profit for the financial year	10	(4,162)	16,727
Dividends	10	(7,443)	(16,705)
Shareholder's funds at end of the year		105,478	117,083

The notes on pages 11 to 15 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 December 2013**

1. Accounting policies

The following accounting policies have been applied consistently, in dealing with items which are considered material in relation to the Company's financial statements.

a. Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Under Section 400 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated financial statements. Consequently, the financial statements present information about the Company as an individual undertaking and not its group.

The Company's local currency is euro. The financial statements of the Company are presented in euro.

b. Cash flow statement

At 31 December 2013 the Company was a wholly owned subsidiary of GDF SUEZ S.A. and is included in the consolidated financial statements of GDF SUEZ S.A. which are publicly available. Therefore, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

c. Foreign currencies

Transactions denominated in foreign currencies arising in the normal course of business are translated into euro at the exchange rate ruling on the date the transaction takes place unless related or matching forward foreign exchange contracts have been entered into, when the rate specified in the contract is used. Monetary assets and liabilities expressed in foreign currencies are translated into euro at the rates of exchange ruling at the balance sheet date. Exchange differences arising in the normal course of business and on the translation of monetary assets and liabilities are dealt with in the profit and loss account.

d. Dividend income

Dividend income from fixed asset investments is recognised in the profit and loss account when the Company's rights to receive payments have been established.

e. 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.

f. 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 balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the weighted average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

1. Accounting policies (continued)

g. Fixed asset investments

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

h. Dividends on shares presented within shareholder's funds

Dividends payable are recognised as a liability and an appropriation of profit when the Company formally acts to make a distribution on or before the balance sheet date and becomes legally obligated to the shareholder to do so. Unpaid dividends that do not meet these criteria are not recognised in the financial statements but are disclosed in the notes.

i. Amounts due from group undertakings

Amounts due from group undertakings are carried at amortised cost using the effective interest method less any allowance for estimated impairments.

2. Directors' and employees' remuneration

The Directors did not receive any fees or emoluments from the Company during the year (2012: 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.

The Company had no employees during this financial year (2012: none).

3. Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2013 and 31 December 2012 was borne by International Power Ltd..

The auditor's remuneration was as follows:

	Year ended 31 December 2013 €	Year ended 31 December 2012 €
Auditor's remuneration for the year	1,619	1,838

4. Income from participating interests

	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
Dividend income from participating interests	7,549	18,059

5. Interest receivable and similar income

	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
Interest receivable from group undertakings	7	13

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

6. Tax charge on (loss)/profit on ordinary activities

Analysis of charge in the year:	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
UK corporation tax	(6)	(1)
Prior year tax adjustment	-	10
Overseas tax	(566)	(1,354)
	<u>(572)</u>	<u>(1,345)</u>

Current tax reconciliation	Year ended 31 December 2013 €'000	Year ended 31 December 2012 €'000
(Loss)/profit on ordinary activities before tax	<u>(3,590)</u>	<u>18,072</u>
Current tax credit/(charge) at 23.25% (2012: 24.5%)	835	(4,428)
Withholding tax suffered	(566)	(1,354)
Foreign exchange movement on tax balances	(4)	3
Prior year tax adjustment	-	10
Items non-deductible from the sale of participating interests	(2,592)	-
Non-taxable dividends	1,755	4,424
Total current tax charge	<u>(572)</u>	<u>(1,345)</u>

The current year applicable statutory tax rate of 23.25% represents a weighted average rate based on 24% applicable for the three months to 31 March 2013, and 23% applicable from 1 April 2013.

The prior year applicable statutory tax rate of 24.5% represents a weighted average rate based on 26% applicable for the three months to 31 March 2012, and 24% applicable from 1 April 2012.

7. Investments

	Total €'000
Cost	
At 1 January 2013	116,624
Disposal	<u>(116,624)</u>
At 31 December 2013	<u>-</u>

On 25 July 2013 the Company sold its entire investment in Kot Addu Power Company Limited for PKR 14.6 billion (€107 million), which after sale transaction costs, generated a loss on disposal of participating interests of €11,146,000.

The Company had the following participating interest in 2012:

Name and nature of business	Principal activity	Country of incorporation	Type of share	Ownership
Kot Addu Power Company Limited	Power generation	Pakistan	Ordinary shares	36%

Notes to the financial statements
for the year ended 31 December 2013 (continued)

8. Debtors : amounts falling due within one year

	31 December 2013 €'000	31 December 2012 €'000
Amounts due from group undertakings – loan	105,478	342
Amounts due from group undertakings – interest	-	13
Corporation tax	-	104
	<u>105,478</u>	<u>459</u>

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

9. Called up share capital

	31 December 2013 €	31 December 2012 €
Allotted, called up and fully paid		
2 ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

10. Capital and reserves

	Share capital €'000	Capital reserve €'000	Profit and loss account €'000	Total €'000
Balance as at 1 January 2013	-	83,000	34,083	117,083
Loss for the financial year	-	-	(4,162)	(4,162)
Dividends	-	-	(7,443)	(7,443)
Balance as at 31 December 2013	<u>-</u>	<u>83,000</u>	<u>22,478</u>	<u>105,478</u>
	Share capital €'000	Capital reserve €'000	Profit and loss account €'000	Total €'000
Balance as at 1 January 2012	-	83,000	34,061	117,061
Profit for the financial year	-	-	16,727	16,727
Dividends	-	-	(16,705)	(16,705)
Balance as at 31 December 2012	<u>-</u>	<u>83,000</u>	<u>34,083</u>	<u>117,083</u>

11. Related party disclosure

As at 31 December 2013 and 31 December 2012, the Company was a wholly owned subsidiary of International Power Consolidated Holdings Limited which was controlled by GDF SUEZ S.A.. The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are wholly owned by GDF SUEZ S.A..

There are no transactions or balances with other related parties that are not wholly owned by GDF SUEZ S.A..

12. Controlling party and ultimate parent undertaking

The Company's immediate parent undertaking is International Power Consolidated Holdings Limited, the registered address of which is Senator House, 85 Queen Victoria Street, London EC4V 4DP, United Kingdom.

The Directors consider the Company's ultimate parent undertaking and controlling party to be GDF SUEZ 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 2013 and the year ended 31 December 2012. The consolidated financial statements of GDF SUEZ S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

13. Subsequent events

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