

AES BORSOD HOLDINGS LIMITED

**Annual Report and Financial Statements
31 December 2011**



AES BORSOD HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2011

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AES BORSOD HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The following directors were in office during the financial year ended 31 December 2011 and subsequently, except where noted

Evgeniya Rodionova
Wesley Stam

SECRETARY

Donald Lehman

REGISTERED OFFICE

37-39, Kew Foot Road
Richmond
Surrey
TW9 2SS

AES BORSOD HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report for the year ended 31 December 2011

RESULTS AND DIVIDENDS

The company has not traded in the current year and is not expected to trade in the foreseeable future

The directors do not recommend the payment of a dividend (2010 \$nil)

ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

In 2009, a decision was made to use the company (dormant in 2008) to invest in two project companies, Borsod CFB Project Company and AES Tiszapalkonya Villamosipari Termelo es Szolgaltato Kft a project company both companies based in Hungary (see note 3) As a result of this fundamental change in the business the directors decided to change the functional and reporting currency from GBP to US Dollars as at 1 January 2009

The company did not trade in the year and is not expected to trade in the foreseeable future

EVENTS SINCE THE BALANCE SHEET DATE

In 2012, local management began proceedings to dissolve AES Tiszapalkonya Villamosipari Termelo es Szolgaltato Kft ("Tiszapalkonya") by voluntary dissolution T iszapalkonya was established to carry a project development on the Tiszapalkonya site owned by AES Borsodi Energetikai Kft The first step was that Tiszapalkonya acquires the necessary land from AES Borsodi Energetikai Kft The transfer of the land did not take place and is not expected to as AES Borsodi Energetikai Kft went into liquidation in November 2011 Consequently, Tiszapalkonya is not expected to carry a business activity and will be terminated by way of voluntary dissolution

DIRECTORS

The directors of the company who served throughout the year and to the date of these financial statements are given on page 1

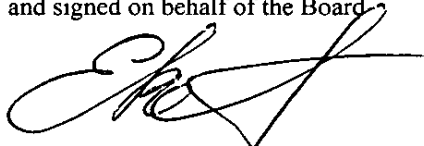
DIRECTORS' INDEMNITY

The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006

AUDITORS

No auditors are planned to be appointed by the directors going forward because the Company is entitled to the exemption provided by section 480 of the Companies Act 2006 relating to dormant companies

Approved by the Board of Directors
and signed on behalf of the Board



Evgeniya Rodionova

Director

Date May 31, 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments 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 proper 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 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.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the accounts.

AES BORSOD HOLDINGS LIMITED

BALANCE SHEET

As at 31 December 2011

	Note	2011 \$	2010 \$
FIXED ASSETS			
Investments	3	17,827	17,827
CREDITORS: amounts falling due within one year	4	(23,937)	(23,937)
NET CURRENT LIABILITIES		(23,937)	(23,937)
NET LIABILITIES		(6,110)	(6,110)
CAPITAL AND RESERVES			
Called up share capital	5	28,958	28,958
Profit and loss account	6	(35,068)	(35,068)
SHAREHOLDER'S DEFICIT	7	(6,110)	(6,110)

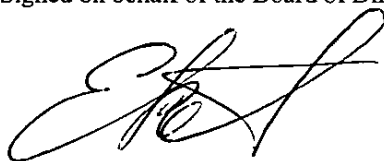
For the year ending 31 December 2011 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These financial statements were approved by the Board of Directors on May 31, 2012

Signed on behalf of the Board of Directors



Evgeniya Rodionova
Director

AES BORSOD HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have all been applied consistently in both the current and preceding year.

The company has net liabilities and is not expected to trade in the foreseeable future.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Functional currency

As of 1 January 2009 the company has made a reassessment of the functional currency as a consequence of the changes in the business and in the circumstances underlying prior to initial determination. Therefore, considering the available information and based on the management analysis for the future expected cash flows, the USD has been determined as the functional currency as from that date.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Impairment of investments

At each balance sheet date, the company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the investment is estimated in order to determine the extent of the impairment loss (if any).

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities are denominated in foreign currencies at balance sheet date are reported at the rate of exchange prevailing at the date.

Cash flow statement

The company is exempt from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1 (1996) as it is a wholly-owned subsidiary, for which the ultimate parent company prepares consolidated accounts which include the results of the company and are publicly available.

2. PROFIT AND LOSS ACCOUNT

The company did not trade during the year and made neither profit nor loss.

No director received any emoluments for their services to the company for the year ended 31 December 2011 or the preceding year.

The company has no employees (2010 – none).

3. INVESTMENTS

Shares in group
undertakings
\$

Cost and Net Book Value

At 31 December 2011 and at 31 December 2010

17,827

The company has two companies involved in the development and operation of independent power generation facilities in Hungary.

Name of company	Country of incorporation	Type of shares	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings:				
AES Borsod CFB Project Kft	Hungary	Ordinary	100%	Project company
AES Tiszapalkonya Villamosipari Termelő és Szolgáltatási Kft	Hungary	Ordinary	100%	Project company

AES BORSOD HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2011

4. CREDITORS: Amounts falling due within one year

	2011	2010
	\$	\$
Amounts owed to immediate parent company	17,827	17,827
Amounts owed to group companies	6,110	6,110
	<u>23,937</u>	<u>23,937</u>

5. CALLED UP SHARE CAPITAL

	2011	2010
	\$	\$
Authorised:		
100,000 ordinary shares of £1 each	<u>144,790</u>	<u>144,790</u>
Called up, allotted and fully paid:		
20,000 ordinary shares of £1 each	<u>28,958</u>	<u>28,958</u>

6. CAPITAL AND RESERVES

	Called up share capital \$	Profit and loss account \$	Total \$
At 1 January and 31 December 2011	<u>28,958</u>	<u>(35,068)</u>	<u>(6,110)</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2011	2010
	\$	\$
Opening shareholders' interest	<u>(6,110)</u>	<u>(6,110)</u>
Closing shareholders' interest	<u>(6,110)</u>	<u>(6,110)</u>

8. ULTIMATE PARENT COMPANY

The immediate parent company is AES Tisza Holding BV, a company registered in The Netherlands

The ultimate parent company and controlling entity, and parent of the smallest and largest group for which consolidated accounts are prepared of which this company is a part, is the AES Corporation, a company incorporated in the State of Delaware, USA. Copies of the ultimate parent company's financial statements can be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 20549, USA

The company has taken advantage of the exemption granted by FRS 8 "Related Party Disclosures" not to disclose transactions with other undertakings within, and related parties of, The AES Corporation Group