

AES BORSOD HOLDINGS LIMITED

**Annual Report and Financial Statements
31 December 2014**



AES BORSOD HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS	Page
COMPANY INFORMATION	1
DIRECTORS' REPORT	2
DIRECTORS' RESPONSIBILITES STATEMENT	3
INDEPENDENT AUDITOR'S REPORT	4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET.....	6
NOTES TO THE FINANCIAL STATEMENTS.....	7

AES BORSOD HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

The following directors were in office during the financial year ended 31 December 2014 and subsequently, except where noted.

	Appointed	Resigned
Evgeniya Rodionova		
Wesley Stam		
Ian Luney	6 October 2014	

COMPANY SECRETARY

Tihomir Mladenov	6 October 2014
------------------	----------------

REGISTERED OFFICE

21 St Thomas Street
Bristol
BS1 6JS
United Kingdom

Claude Debussylaan 12
Amsterdam
1082MD
The Netherlands

AES BORSOD HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a dividend (2013: \$nil).

ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

In 2009 the company invested in two project companies, AES Borsod CFB Project Kft and AES Tiszapalkonya Villamosipari Termelo es Szolgaltato Kft, both registered in Hungary. As a result of this fundamental change in the business the directors decided to alter the functional and reporting currency from GBP to US Dollars effective 1 January 2009.

AES Tiszapalkonya Villamosipari Termelo es Szolgaltato Kft ("Tiszapalkonya") was established with the intention to carry out project development works on the Tiszapalkonya site owned by AES Borsodi Energetikai Kft. However, the project was not realized and AES Borsodi Energetikai Kft went into liquidation in November 2011. In 2013 Tiszapalkonya was terminated by way of voluntary dissolution and the company received its return on investment.

As at the balance sheet date the investment in AES Borsod CFB Project Kft has a carrying value of \$ nil.

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

FINANCIAL RISK MANAGEMENT

Currency risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. The company manages this risk by regular monitoring of the foreign currency exchange rates.

DIRECTORS

The directors of the company who served throughout the year and to the date of these financial statements (except as noted) are given on page 1.

DIRECTORS' INDEMNITY

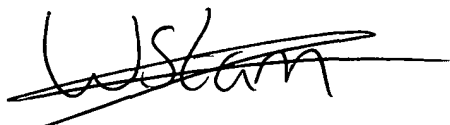
The company indemnifies the directors in its Articles of Association to the extent allowed under section 232 of the Companies Act 2006.

STRATEGIC REPORT

The directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

AUDITORS

No auditors are planned to be appointed by the directors because the Company is entitled to the exemption provided by Section 480 of the Companies Act 2006 relating to dormant entities.



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

Wesley Stam

Director

Date: 11 September 2015

Company Registration No. 0358154

AES BORSOD HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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.

AES BORSOD HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2014

	Notes	2014 \$	Audited 2013 \$
Administrative expenses		-	(7,589)
Loss on disposal and impairment of investment		-	(15,764)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(23,353)
Tax on ordinary activities	4	-	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		-	(23,353)
		<hr/>	<hr/>

All of the results relate to continuing operations both in current and previous year.

There are no recognised gains or losses or other movements in shareholder's funds for the current and preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been prepared.

AES BORSOD HOLDINGS LIMITED

BALANCE SHEET

As at 31 December 2014

	Notes	2014 \$	Audited 2013 \$
FIXED ASSETS			
Investments	5	-	-
CREDITORS: amounts falling due within one year	6	(29,463)	(29,463)
NET CURRENT LIABILITIES		(29,463)	(29,463)
NET LIABILITIES		(29,463)	(29,463)
CAPITAL AND RESERVES			
Called up share capital	7	28,958	28,958
Profit and loss account	8	(58,421)	(58,421)
SHAREHOLDER'S DEFICIT	9	(29,463)	(29,463)

These financial statements were approved by the Board of Directors on 11 September 2015.

Signed on behalf of the Board of Directors



Wesley Stam
Director

AES BORSOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **Year ended 31 December 2014**

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 preparation

The financial statements are prepared under the historical cost convention.

The directors consider it appropriate to prepare the accounts on a going concern basis.

Basis of consolidation

In accordance with Section 401 of the Companies Act 2006, consolidated financial statements have not been presented as the company is a wholly owned subsidiary of the AES Corporation, a company incorporated in the state of Delaware, USA and incorporates the financial statements of this company. These financial statements present information about the company as an individual undertaking and not about its group.

Reporting currency

As of 1 January 2009 the company has made a reassessment of its 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 and reporting 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 financial statements which include the results of the company and are publicly available.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company did not trade during the year and did not generate any revenue.

No director received any emoluments for their services to the company for the year ended 31 December 2014 or the preceding year.

The company has no employees (2013 – none).

AES BORSOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

3. AUDITOR'S REMUNERATION

	2014	Audited 2013
	\$	\$
Fees for the audit of the company	-	7,616

4. TAX ON ORDINARY ACTIVITIES

	2014	Audited 2013
	\$	\$
Current tax		
UK corporation tax charge on losses for the period	-	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Dutch corporation tax to the profit before tax can be reconciled as follows:

	2014	Audited 2013
	\$	\$
Loss before taxation	-	(23,353)
Tax on loss on ordinary activities at standard Dutch corporation tax rate of 25% (2013: 25%)	-	5,838
Effect of:		
Expenses not deductible for tax purposes	-	(3,941)
Losses surrendered for nil consideration	-	(1,897)
Current tax credit / (charge) for the period	-	-

5. INVESTMENTS

	2014 \$
Cost	
At 1 January 2014 (audited)	14,894
Movement during the year	-
At 31 December 2014	14,894
Amounts provided	
At 1 January 2014 (audited)	(14,894)
Impairment for the year	-
At 31 December 2014	(14,894)
Net book value:	
At 31 December 2014	-
At 31 December 2013	-

AES BORSOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2014

5. INVESTMENTS (CONTINUED)

In December 2012 the company's investment in AES Tiszapalkonya Villamosipari Termelő és Szolgáltató Kft (100% shareholding) was terminated by way of voluntary dissolution which was completed in December 2012. In 2013 the company recorded a provision for impairment of \$14,894 in relation to its investment in AES Borsod CFB Project Kft.

As of the year end the company holds investment in one Hungarian entity whose carrying value is £nil.

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

6. CREDITORS: amounts falling due within one year

	2014	Audited 2013
	\$	\$
Amounts owed to immediate parent company	17,827	17,827
Amounts owed to group companies	4,020	4,020
Accruals	7,616	7,616
	<u>29,463</u>	<u>29,463</u>

7. CALLED UP SHARE CAPITAL

	2014	Audited 2013
	\$	\$
Authorised:		
100,000 ordinary shares of £1 each	144,790	144,790
Called up, allotted and fully paid:		
20,000 ordinary shares of £1 each	28,958	28,958

8. CAPITAL AND RESERVES

	Called up share capital \$	Profit and loss account \$	Total \$
At 1 January 2014 (audited)	28,958	(58,421)	(29,463)
Profit/Loss for the year	-	-	-
At 31 December 2014	<u>28,958</u>	<u>(58,421)</u>	<u>(29,463)</u>

AES BORSOD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2014	Audited 2013
	\$	\$
Opening shareholders' deficit	(29,463)	(6,110)
Profit/Loss for the financial year	-	(23,353)
Closing shareholders' deficit	<u>(29,463)</u>	<u>(29,463)</u>

10. 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 financial statements 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 that are wholly owned of the AES Corporation Group. There are no other related party transactions during the current and preceding year.