

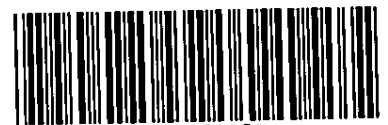
Company Registration No. 3760617

AES HORIZONS LIMITED

Report and Financial Statements

31 December 2007

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AES HORIZONS LIMITED

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AES HORIZONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

The following directors were in office during the financial year ended 31 December 2007 and subsequently

Naveed Ismail (resigned 4th July 2007)

John McLaren

Matthew Bartley (resigned 4th July 2007)

Neil Hopkins

SECRETARY

Neil Hopkins

REGISTERED OFFICE

37 Kew Foot Road

Richmond

Surrey

TW9 2SS

AUDITORS

Deloitte & Touche LLP

Chartered Accountants

London

AES HORIZONS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2007. The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act of 1985.

ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The principal activity of the company is the rental of office premises.

The directors are not expecting a change in the principal activity of the company in the foreseeable future.

RESULTS FOR THE YEAR AND DIVIDENDS

The company's results for the year ended 31 December 2007 showed a profit after tax of £919,000 (2006: £74,000).

The directors do not recommend the payment of a dividend (2006: £nil).

DIRECTORS

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

INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



Neil Hopkins

Secretary

10 October 2008

AES HORIZONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 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 1985. 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 AUDITORS' REPORT TO THE MEMBER OF

AES HORIZONS LIMITED

We have audited the financial statements of AES Horizons Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors
London

14 October 2008

AES HORIZONS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
Turnover	1	433	507
Administrative expenses	3	(433)	(433)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	74
Tax credit on ordinary activities	4	919	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	919	74

All amounts are derived from continuing operations in both the current and preceding year

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

AES HORIZONS LIMITED

BALANCE SHEET As at 31 December 2007

	Notes	2007 £'000	2006 £'000
CURRENT ASSETS			
Debtors due after more than one year	5	350	350
CREDITORS: amounts falling within one year	6	<u>(45)</u>	<u>(45)</u>
NET CURRENT ASSETS		305	305
CREDITORS: amounts falling due after more than one year	6	<u>(4,764)</u>	<u>(5,683)</u>
NET LIABILITIES		<u>(4,459)</u>	<u>(5,378)</u>
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	<u>(4,459)</u>	<u>(5,378)</u>
SHAREHOLDER'S DEFICIT		<u>(4,459)</u>	<u>(5,378)</u>

These financial statements were approved and authorised for issue by the Board of Directors on 10 October 2008

Signed on behalf of the Board of Directors



Neil Hopkins
Director

AES HORIZONS LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2007

1. ACCOUNTING POLICIES

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

Basis of accounting

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of applicable VAT. All turnover is derived in the UK from the same class of business.

Taxation

Current 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 difference can be deducted.

Deferred tax is measured at the 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 a non-discounted basis.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Cash flow

The company is exempt from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1 (Revised) as the ultimate parent company prepares consolidated accounts including the company and which contain a cash flow statement.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received remuneration in respect of qualifying services to the company for the current or prior year.

All employment contracts are with AES Electric Limited, a fellow subsidiary undertaking.

AES HORIZONS LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2007

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £'000	2006 £'000
Profit on ordinary activities is stated after charging:		
Operating lease rentals	433	433

Auditors' remuneration of £3,870 (2006 £3,750) for the audit of the company's annual accounts for the current year was borne by AES Electric Limited, a fellow subsidiary undertaking

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
UK corporation tax on profits for the period	-	-
Adjustments in respect of prior periods	919	-

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	-	74
Tax on group profit on ordinary activities at standard UK Corporation tax rate of 30% (2006 – 30%)	-	(22)
Effect of		
Receipt for group relief surrender for prior period	919	-
Group relief (surrendered)/claimed for no consideration	-	1
Capital allowance for period in excess of depreciation	-	21
Current tax credit	919	-

There is an unrecognised deferred tax asset of £374,803 (2006 £374,803) in respect of tax losses and £47,046 (2006 £62,728) in respect of fixed asset timing differences. A deferred tax asset has not been recognised in respect of these losses as the company does not anticipate taxable profits to arise in the immediate future

5. DEBTORS: Amounts falling due after more than one year

	2007 £'000	2006 £'000
Other debtors	350	350

AES HORIZONS LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2007

6. CREDITORS

	2007 £'000	2006 £'000
Amounts falling due within one year:		
Other creditors	45	45
Amounts falling due after more than one year:		
Amounts owed to group undertakings	4,764	5,683

Amounts owed to group undertakings are interest free and are due for repayment not earlier than 12 months from the approval of the financial statements

7. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised:		
1,000 (2006 1,000) ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid:		
1 (2006 1) ordinary shares of £1 each	1	1

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2007	-	(5,378)	(5,378)
Profit for the year	-	919	919
Balance at 31 December 2007	-	(4,459)	(4,459)

9. OPERATING LEASE COMMITMENTS

	Buildings 2007 £'000	Buildings 2006 £'000
Annual commitment under non-cancellable operating leases as follows		
Expiry date		
- after more than five years	433	433
	433	433

AES HORIZONS LIMITED

NOTES TO THE ACCOUNTS

As at 31 December 2007

10. ULTIMATE PARENT COMPANY

The immediate parent company is AES UK Holdings Limited, a company incorporated in England and Wales

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 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