

Company Registration No. 3958479

AES PAK GEN (UK) LIMITED

**Report and Financial Statements
31 December 2007**



AES PAK GEN (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

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AES PAK GEN (UK) 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

John McLaren
Neil Hopkins

SECRETARY

Neil Hopkins

REGISTERED OFFICE

37- 39 Kew Foot Road
Richmond
Surrey
TW9 2SS

BANKERS

Citibank London N A

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

AES PAK GEN (UK) LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements 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.

PRINCIPAL ACTIVITY

The company holds 15.33 per cent of a Pakistani company involved in the operation of an independent power generation facility.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company did not trade during the period. The company is expected to continue in its role holding 15.33 per cent of a Pakistani company for the foreseeable future.

PROFIT FOR THE YEAR AND DIVIDENDS

The company's results for the year ended 31 December 2007 showed a profit on ordinary activities after taxation of £2,980,396 (2006: £1,625,526). In 2006 the directors paid an interim dividend of £2,976,723 (2006: £1,626,045). The directors do not recommend the payment of a final dividend.

DIRECTORS

The directors of the company who served during the year and up to the date of this report are:

John McLaren
Neil Hopkins

INFORMATION TO AUDITORS

Each of 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
Director

24 Sept 2008

AES PAK GEN (UK) 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 MEMBERS OF AES PAK GEN (UK) LIMITED

We have audited the financial statements of AES Pak Gen (UK) 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 law, 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 to you whether, in our opinion, the information given in 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 implication 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, United Kingdom

26 September 2008

AES PAK GEN (UK) LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	Notes	2007 £	2006 £
Administrative expenses		(981)	(607)
OPERATING LOSS		(981)	(607)
Income from fixed asset investments		3,234,999	1,815,680
Interest received and similar income	3	3,514	322
Interest paid and similar charges	3	(14,511)	(53,693)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	3,223,021	1,761,702
Tax on profit on ordinary activities	4	(242,625)	(136,176)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,980,396</u>	<u>1,625,526</u>

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

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

AES PAK GEN (UK) LIMITED

BALANCE SHEET

As at 31 December 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Investments	6	9,636,071	9,636,071
CURRENT ASSETS			
Cash at hand		3,939	265
NON-CURRENT ASSETS			
Debtors falling due after more than one year	7	<u>1</u>	<u>1</u>
NET ASSETS		<u>9,640,011</u>	<u>9,636,337</u>
CAPITAL AND RESERVES			
Called up share capital	8	9,636,072	9,636,072
Profit and loss account	9	<u>3,939</u>	<u>265</u>
SHAREHOLDER'S FUNDS	9	<u>9,640,011</u>	<u>9,636,337</u>

These financial statements were approved by the Board of Directors on 24 Sept 2008

Signed on behalf of the Board of Directors



Neil Hopkins
Director

AES PAK GEN (UK) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 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 all been applied consistently in both the current and preceding year.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Foreign currency

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

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 provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Investments

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

Cash flow statement

The company has taken advantage of the exemption granted in Financial Reporting Standard (FRS) 1 (Revised) not to produce a cash flow statement, since its ultimate parent company produces a consolidated cash flow statement including the cash flow of the company.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

No director received remuneration in respect of qualifying services to the company. The company had no employees in the current and prior year.

The auditors' remuneration of £5,160 (2006: £5,000) was borne by AES Electric Limited, a fellow subsidiary undertaking.

AES PAK GEN (UK) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2007

3. INTEREST RECEIVED AND SIMILAR RECEIPTS

	2007 £	2006 £
Interest received	<u>3,514</u>	<u>322</u>

INTEREST PAID AND SIMILAR CHARGES

	2007 £	2006 £
Foreign exchange losses	<u>14,511</u>	<u>53,693</u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Overseas taxation	<u>242,625</u>	<u>136,176</u>

The profit before tax is shown gross of withholding tax. There is no UK tax to pay due to the availability of double taxation relief on all the foreign income. The tax charge relates to tax withheld on the receipt of the dividend.

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:

	2006 £	2006 £
Profit on ordinary activities before tax	<u>3,223,021</u>	<u>1,761,702</u>
Tax on group profit on ordinary activities at standard UK Corporation tax rate of 30% (2006: 30%)	966,906	528,511
Effect of		
Dividends not subject to UK taxation	(970,500)	(544,704)
Foreign tax suffered	242,625	136,176
Unutilised tax losses carried forward	<u>3,594</u>	<u>16,193</u>
Current tax charge for year	<u>242,625</u>	<u>136,176</u>

A deferred tax asset of £3,594 (2006: £16,193) in respect of non-trading losses has not been recognised as there is insufficient evidence that the asset will be recovered. The asset will be recovered if the company makes suitable taxable profits in the future.

AES PAK GEN (UK) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2007

5. DIVIDENDS

	2007 £	2006 £
Interim dividends paid	<u>2,976,723</u>	<u>1,626,045</u>

6. INVESTMENTS

	2007 £	2006 £
Fixed asset investments at cost	<u>9,636,071</u>	<u>9,636,071</u>

The company owns 15.33% of the share capital of AES Pak Gen (Private) Limited, a company incorporated in Pakistan, which operates a power generating facility

7. DEBTORS: FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Amounts owed by group undertakings	<u>1</u>	<u>1</u>

The £1 owed by group undertakings relates to share capital called up, allotted but not yet paid

8. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised:		
15,000,000 (2006 15,000,000) ordinary shares of £1 each	<u>15,000,000</u>	<u>15,000,000</u>
Called up, allotted and fully paid		
9,636,071 (2006 9,636,071) ordinary shares of £1	<u>9,636,071</u>	<u>9,636,071</u>
Called up, allotted and not yet paid		
One (2006 one) ordinary share of £1	<u>1</u>	<u>1</u>

AES PAK GEN (UK) LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2007

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2007	9,636,072	265	9,636,337
Profit for the year	-	2,980,396	2,980,396
Dividend paid (note 5)	-	(2,976,723)	(2,976,723)
	<u>9,636,072</u>	<u>3,939</u>	<u>9,640,011</u>
Balance at 31 December 2007	9,636,072	3,939	9,640,011

10. ULTIMATE PARENT COMPANY

The immediate parent company and controlling entity is AES Pakistan (Holdings) Limited

The ultimate parent company and controlling party, 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 that company's financial statements may 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 Financial Reporting Standard (FRS) 8 "Related Party Disclosures" not to disclose transactions with other undertakings within and related parties of the AES Corporation group.