

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2015

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SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
COMPANY INFORMATION

Directors	J B Busche Mr P K Gupta
Company number	05104786
Registered office	Uskmouth Power Station West Nash Road Nash Newport NP18 2BZ United Kingdom
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
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**SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
STRATEGIC REPORT**

FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

SIMEC Uskmouth Power Ltd (formerly Uskmouth Power Company Limited) is a 393 MW Coal Fired power plant. The Company was acquired by SIMEC Group on 28th Feb 2015 with a view to bring the plant to its full generating capacity. The plant started generation of electricity beginning of April 2015.

The Company changed its name from Uskmouth Power Company Limited to SIMEC Uskmouth Power Limited on 13 April 2015.

Principal risks and uncertainties

The Company's principal risk is wholesale market price of power which can be volatile. Power is sold on electronic platform, so the directors manage price risk by constantly monitoring the prices and achieving maximum realization for the company. Directors are also planning to hedge power rates for the next year at forward prices, thereby minimizing the volatility.

There are notable levels of exchange risks as the company purchases Coal in US Dollars, but sells Electricity in UK Pound Sterling, the directors maintain careful ongoing review of foreign exchange exposure and manage this on spot basis.

The Directors also acknowledge that they have the responsibility for the company's internal systems of control and for monitoring their effectiveness. These systems endeavour to manage and control reporting and risks. No system of control can, however, provide absolute assurance of data reporting. Accordingly, the directors believe that the controls are appropriate to the company's business and to the relative costs and benefits of implementing specific controls.

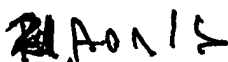
Key performance indicators

In the opinion of the directors there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



J B Busche
Director



SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Directors

The directors who served in the year were:

J B Busche
M R Hayward
P R Smith

M R Hayward and P R Smith resigned as directors on 15 December 2014.

Mr P K Gupta was appointed as director on 1 March 2016.

Statement of disclosure to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

H W Fisher & Company were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Employment Policies

Staff are actively encouraged to be involved in Company's affairs in a wide variety of ways. These include monthly team meetings, briefing documents and internal videos. Policies on such matters as equal opportunities and health and safety are regularly communicated to staff and involvement is supported through local committees. New staff joining the Company receive induction training.

It is Company's policy, where possible, to provide employment opportunities for disabled people. Staff who become disabled are supported in continuing employment through the identification of suitable jobs and the provision of necessary retraining.

Supplier Payment Policy

It is the Company's policy that payment terms are agreed at the outset of a transaction and are adhered to; that bills are paid in accordance with the contract; and that there are no alterations to payment terms without prior agreement.

On behalf of the board



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J B Busche
Director

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SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

**SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SIMEC USKMOUTH POWER LIMITED**

We have audited the financial statements of Simec Uskmouth Power Limited for the year ended 31 March 2015 set out on pages 6 to 16. 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 member, 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 member 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 member 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 Directors' Responsibilities Statement on page 3, 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 Annual 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 March 2015 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report, Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBER OF SIMEC USKMOUTH POWER LIMITED**

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.



**Naresh Samani (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company**

**Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom**

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SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

		2015	2014
	Notes	\$	\$
Turnover		-	23,475,900
Cost of sales		(717,932)	(23,475,900)
Gross loss		(717,932)	-
Administrative expenses		(8,271,232)	(1,277,600)
Operating loss	4	(8,989,164)	(1,277,600)
Interest payable and similar charges	3	(14,061)	(159,700)
Loss on ordinary activities before taxation		(9,003,225)	(1,437,300)
Tax on loss on ordinary activities	6	-	4,471,600
(Loss)/profit for the year	16	(9,003,225)	3,034,300

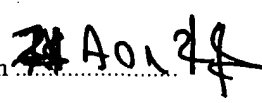
The profit and loss account has been prepared on the basis that all operations are continuing operations.

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 \$	2014 \$
(Loss)/profit for the financial year		(9,003,225)	3,034,300
Unrealised surplus on revaluation of properties		101,841,300	-
		92,838,075	3,034,300
Currency translation differences on foreign currency net investments		1,176,790	(584,415)
Total recognised gains and losses relating to the year		<u>94,014,865</u>	<u>2,449,885</u>

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
BALANCE SHEET
AS AT 31 MARCH 2015

	Notes	2015 \$	\$	2014 \$	\$
Fixed assets					
Tangible assets	7	104,956,291		-	
Current assets					
Stocks	8	16,967,533		333,400	
Debtors	10	1,470,652		28,505,700	
Cash at bank and in hand		91,201		-	
		18,529,386		28,839,100	
Creditors: amounts falling due within one year	9	(21,996,818)		(4,667,600)	
Net current liabilities/(assets)		(3,467,432)		24,171,500	
Total assets less current liabilities		101,488,859		24,171,500	
Creditors: amounts falling due after more than one year	11	-		(14,502,900)	
Provisions for liabilities	12	-		(2,194,606)	
		101,488,859		7,473,994	
Capital and reserves					
Called up share capital	15	33,475,722		33,475,722	
Revaluation reserve	16	101,841,300		-	
Profit and loss account	16	(33,828,163)		(26,001,728)	
Shareholder's funds	17	101,488,859		7,473,994	

Approved by the Board and authorised for issue on 



JB Busche
Director

Company Registration No. 05104786

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of SIMEC Energy PTE Limited.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is attributable to the activity of electricity generation.

Revenue is recognised as electricity is generated, at the price at which revenue is contracted to be sold.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% Straight Line
Plant and machinery	4% Straight Line
Fixtures, fittings & equipment	10% Straight Line
Motor vehicles	25% Straight Line

Expenditure incurred to replace a component of a tangible fixed asset that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the tangible fixed asset to which it relates.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

(Continued)

1.8 Foreign currency translation

The financial statements are presented in United States Dollar (\$). The Company's functional currency is British Pound Sterling (£). The management has decided to present the financial statements in \$ as the group reports its results in \$.

Assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. Income and expenses are recorded at the rate ruling at the date of the transactions. All differences are taken to statement of recognised gain and losses.

2 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Employees	37	84

Employment costs

	2015 \$	2014 \$
Wages and salaries	450,267	2,192,181
Social security costs	51,393	250,535
Other pension costs	-	250,535
Costs of share option scheme	-	62,634
	501,660	2,755,885

3 Interest payable

	2015 \$	2014 \$
On bank loans and overdrafts	14,061	159,700

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

4	Operating loss	2015	2014
		\$	\$
	Operating loss is stated after charging:		
	Depreciation of tangible assets	1,671	-
	Fees payable to the company's auditor for the audit of the company's annual accounts	16,086	22,831
	Exceptional charge	7,212,083	1,277,600
		<u> </u>	<u> </u>

The exceptional charge of \$7,212,083 relates to costs incurred by SSE Plc and balances written off prior to the sale of the company to Pentach Investment Limited.

The exceptional charge incurred in 2014 related to a 'Voluntarily Early Release' scheme available to employees seeking to leave the Company in return for a financial settlement.

5 Directors' remuneration

No Directors received remuneration in respect of service provided to the company (2014: \$Nil).

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

6	Taxation	2015	2014
		\$	\$
	Domestic current year tax		
	U.K. corporation tax	-	(4,471,600)
	Total current tax	-	(4,471,600)
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(9,003,225)	(1,437,300)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)	(1,890,677)	(330,579)
	Effects of:		
	Non deductible expenses	86	-
	Depreciation add back	351	-
	Capital allowances	-	(2,235,217)
	Adjustments to previous periods	-	(1,915,900)
	Foreign exchange difference	-	10,096
	Unrelieved tax losses	1,890,240	-
		1,890,677	(4,141,021)
	Current tax charge for the year	-	(4,471,600)

As the Company has made losses during the year, there is no liability for tax. The Company has estimated losses of \$1,890,240 available to carry forward against future trading profits.

No deferred tax asset has been provided in respect of these losses. Based on a tax rate of 20%, this asset would amount to \$378,048. The balance would be fully recoverable when the Company generates future taxable profits at least equivalent to the value of the losses available.

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	\$	\$	\$	\$	\$
Cost or valuation					
At 1 April 2014	-	-	-	-	-
Additions	-	2,924,907	2,790	6,683	2,934,380
Revaluation	15,651,900	86,371,682	-	-	102,023,582
At 31 March 2015	15,651,900	89,296,589	2,790	6,683	104,957,962
Depreciation					
At 1 April 2014	-	-	-	-	-
Charge for the year	-	-	-	1,671	1,671
At 31 March 2015	-	-	-	1,671	1,671
Net book value					
At 31 March 2015	15,651,900	89,296,589	2,790	5,012	104,956,291

The freehold land was valued upwards to \$15,651,900 and the plant and machinery was valued upwards to \$89,296,589 by American Appraisal UK Limited, an independent surveyor. The valuation exercise was undertaken by Ian Gough, a fellow of Royal Institution of Chartered Surveyors, on 30 April 2015. A combination of cost and market approach has been used as bases for valuing the assets.

8 Stocks	2015	2014
	\$	\$
Raw materials and consumables	16,967,533	333,400
9 Creditors: amounts falling due within one year	2015	2014
	\$	\$
Trade creditors	13,191,352	-
Amounts owed to group undertakings	991,149	3,500,700
Taxes and social security costs	166,223	-
Other creditors	6,798,208	-
Amounts due to connected company	835,036	-
Accruals and deferred income	14,850	1,166,900
	21,996,818	4,667,600

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

10 Debtors	2015	2014
	\$	\$
Trade debtors	382,851	-
Amounts owed by group undertakings	-	23,671,400
Group relief receivable	-	4,667,600
Other debtors	904,161	166,700
Prepayments and accrued income	183,640	-
	<u>1,470,652</u>	<u>28,505,700</u>
11 Creditors: amounts falling due after more than one year	2015	2014
	\$	\$
Amounts owed to group undertakings	-	14,502,900
	<u>-</u>	<u>14,502,900</u>
Analysis of loans		
Wholly repayable within five years	-	14,502,900
	<u>-</u>	<u>14,502,900</u>
12 Provisions for liabilities		Other
		\$
Balance at 1 April 2014		2,194,606
Utilised		(2,194,606)
		<u>-</u>
Balance at 31 March 2015		<u>-</u>

The provision as at 1 April 2014 related to the obligation to remediate the land where fly ash was located which was inherited when AES Fifoots Point assets were acquired in 2004. This provision was discharged prior to the sale of the Company.

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

13 Retirement Benefits

	2015	2014
	\$	\$
Contributions payable by the company for the year	-	250,535

The Company does not operate a defined contribution pension scheme. \$250,535 related to contributions made by the Company under the previous ownership which was closed down and all obligations were discharged prior to the sale of the Company.

14 Employee Share Based Transactions

All the employees related schemes were cancelled and all obligations were discharged prior to the sale of the Company.

15 Share capital

	2015	2014
	\$	\$
Allotted, called up and fully paid		
20,081,417 ordinary shares of £1 each	33,475,722	33,475,722

On 15 December 2014, Uskmouth Power Limited, as previously known, transferred 20,081,417 ordinary shares at £1 each to SSE Uskmouth Acquisition Limited. On the same date, Aar Tee Group PTE Limited acquired all the shares of Uskmouth Power Company Limited from SSE Uskmouth Acquisition Limited.

On 28 February 2015, Pentach Invest Limited, a company registered in British Virgin Islands, acquired all the shares from Aar Tee Group PTE Limited.

16 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	\$	\$
Balance at 1 April 2014	-	(26,001,728)
Loss for the year	-	(9,003,225)
Foreign currency translation differences	-	1,176,790
Revaluation during the year	101,841,300	-
Balance at 31 March 2015	101,841,300	(33,828,163)

SIMEC USKMOUTH POWER LIMITED
(FORMERLY USKMOUTH POWER COMPANY LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015

17 Reconciliation of movements in Shareholder's funds	2015	2014
	\$	\$
(Loss)/Profit for the financial year	(9,003,225)	3,034,300
Other recognised gains and losses	103,018,090	(584,415)
Net addition to shareholders' funds	94,014,865	2,449,885
Opening Shareholder's funds	7,473,994	5,024,109
Closing Shareholder's funds	101,488,859	7,473,994

18 Related party relationships and transactions

The company has taken advantage of the exemption conferred by FRS 8 'Related party disclosures' from the requirement to disclose details of transactions with group companies.

At the balance sheet date the Company owed amounts of \$117,409 (2014: \$Nil) to Liberty Commodities Limited and \$717,627 (2014: \$Nil) to Liberty FE Trade DMCC, both connected companies.

19 Controlling parties

The immediate parent company of SIMEC Uskmouth Power Limited is Pentach Invest Ltd, a company registered in British Virgin Islands and the ultimate parent company is SIMEC Group Limited, a company registered in Hong Kong.

The largest and smallest group in which the results of the Company are consolidated is headed by SIMEC Group Limited. The consolidated financial statements of this group are available to the public and can be obtained from the Company Secretary, Suite 2202 - 2204, Gloucester Tower, The Landmark, 11 Pedder Street, Central Hong Kong.

The ultimate controlling party is Mr Parduman Kumar Gupta.

20 Post balance sheet events

The Company did not trade during the period. The Company started its operation on 9 April 2015.