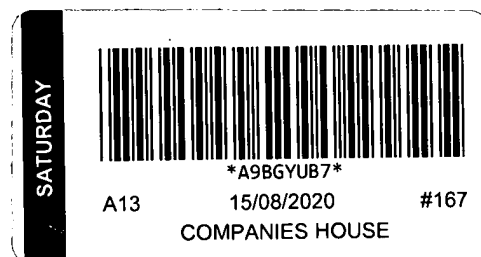


**INTERNATIONAL POWER LEVANTO INVESTMENTS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**



## Strategic Report

The Directors present their Strategic Report of International Power Levanto Investments Limited (the Company) for the year ended 31 December 2019.

## Principal activities

The Company was established as an investment holding company on 8 September 2005. The financial statements of the Company have been prepared in Euros.

## Business review

The results of the Company are as follows:

	Year ended 31 December 2019 €000	Year ended 31 December 2018 €000
Profit/(loss) for the financial year	-	(97)

As shown in the income statement on page 8, there have been no transactions in the current financial year.

The statement of financial position, on page 9 of the financial statements, shows the Company's financial position at the end of the current and preceding financial year.

The Directors do not monitor the performance of the Company through the use of key performance indicators (KPIs). The ENGIE group manages its business and measures the delivery of its strategic objectives through the application of KPIs at both an ENGIE division and group level.

## Principal risks and uncertainties

Owing to the limited nature of the activities of the Company during the year and constituent elements of its balance sheet, the Directors do not believe there are any material risks or uncertainties that require disclosure in order to provide an understanding of the position of the Company at 31 December 2019 or its future prospects.

## Going concern

Given the current health and economic crisis which has evolved since the financial year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements. The Company had net liabilities of €4,000 as at 31 December 2019 (2018: *net current liabilities of €4,000*). The Directors have considered the application of the going concern basis of accounting. In making this assessment, the Directors have considered the intention of the Directors of International Power Ltd., to provide financial support to the Company in the conduct of its ordinary business for a period of twelve months from the date of approval of these financial statements. The Directors, having assessed the responses of the Directors of International Power Ltd. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to fulfil its financial obligations. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors have assessed this exposure as acceptable.

## Employees

The Company had no employees (2018: *none*) and incurred no related costs in the financial year (2018: *€nil*).

**Strategic Report (continued)**

**Post balance sheet events**

Since the year end, the world has and is continuing to face the COVID-19 pandemic on an unprecedented scale which is resulting in a health and economic crisis and the ENGIE Group is taking numerous actions to help weather the storm. The ENGIE Group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

The Company and the ENGIE Group have no experience of a similar crisis and it is difficult to predict the full extent that coronavirus will have on activities; however, the Company is confident it has access to financial support to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

**Future developments**

The Company has no significant future developments to report.

By order of the Board on 10 August 2020.

*Andrew Pollins*

A Pollins  
Director

## **Directors' Report**

The Directors present their report and audited financial statements of International Power Levanto Investments Limited (the Company) for the year ended 31 December 2019.

### **Information disclosed in the Strategic Report**

The following information has been disclosed in the Strategic Report:

- Principal activities
- Business review
- Principal risks and uncertainties
- Going concern
- Employees
- Post balance sheet events
- Future developments

### **Directors**

The following Directors served during the year and to the date of this report:

S Pinnell (resigned 31 March 2020)

A Pollins (appointed 1 April 2020)

### **Share capital**

The Company's share capital comprises 1,002 ordinary shares of €1.20 each.

### **Going Concern**

The Company's activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Dividends**

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019 (2018: £nil).

### **Disclosure of information to the auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Independent Auditors**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. This report was approved by the Board and signed on its behalf.

*Andrew Pollins*

**A Pollins, Director**  
**10 August 2020**

**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 they have elected to prepare the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'.

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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 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 its 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL POWER LEVANTO INVESTMENTS LIMITED**

### **Opinion**

We have audited the financial statements of International Power Levanto Investments Limited (the Company) for the year ended 31 December 2019 which comprise the Income statement, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2019 and of its result 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to Note 10 of the financial statements, which describes the potential financial and operational impact the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL POWER LEVANTO INVESTMENTS LIMITED (CONTINUED)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an auditor's 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.



Caroline Mulley (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Newcastle upon Tyne  
12 August 2020

**Income statement  
for the year ended 31 December 2019**

		<b>2019</b>	<b>2018</b>
		<b>€000</b>	<b>€000</b>
	<b>Note</b>		
<b>Profit before taxation</b>		-	-
Tax expense	6	-	(97)
<b>Profit/(loss) for the financial year</b>		<u>-</u>	<u>(97)</u>

All results are from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

There is no other comprehensive income attributable to the shareholder of the Company in the current or preceding year.



**Statement of financial position**  
**As at 31 December 2019**

	<b>Note</b>	<b>2019 €000</b>	<b>2018 €000</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	7	<u>(4)</u>	<u>(4)</u>
<b>Net current liabilities</b>		<u>(4)</u>	<u>(4)</u>
<b>Total assets less current liabilities and net current liabilities</b>		<u>(4)</u>	<u>(4)</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Share premium	8	98,080	98,080
Retained earnings	8	<u>(98,085)</u>	<u>(98,085)</u>
<b>Shareholder's deficit</b>		<u>(4)</u>	<u>(4)</u>

The notes on pages 11 to 15 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 10 August 2020 and signed on its behalf by:

*Andrew Pollins*

A Pollins  
 Director

**Statement of changes in equity  
for the year ended 31 December 2019**

	<b>Called up share capital €000</b>	<b>Share premium €000</b>	<b>Retained earnings €000</b>	<b>Shareholder's deficit €000</b>
<b>Shareholder's deficit at 1 January 2018</b>	<b>1</b>	<b>80,069</b>	<b>(97,988)</b>	<b>(17,918)</b>
Loss for the financial year	-	-	(97)	(97)
Issued share capital (Note 8)	-	18,011	-	18,011
<b>Shareholder's deficit at 31 December 2018</b>	<b>1</b>	<b>98,080</b>	<b>(98,085)</b>	<b>(4)</b>
Profit for the financial year	-	-	-	-
<b>Shareholder's deficit at 31 December 2019</b>	<b>1</b>	<b>98,080</b>	<b>(98,085)</b>	<b>(4)</b>

The notes on pages 11 to 15 form part of these financial statements.

## Notes to the financial statements for the year ended 31 December 2019

### 1. General information

International Power Levanto Investments Limited (the Company) is a private company limited by shares incorporated in England. The address of the Company's registered office is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom. The nature of the Company's operations and principal activities are set out in the Strategic Report on pages 2 and 3.

### 2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

#### 2.1 Basis of preparation

The Company meets the definition of a qualifying entity under FRS (Financial Reporting Standard) 100 issued by the Financial Reporting Council.

These financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 required the use of certain critical accounting estimates. It also required management to exercise judgment in applying the Company's accounting policies.

The Company is a wholly owned subsidiary of International Power Ltd. and of its ultimate parent, ENGIE S.A. It is included in the consolidated financial statements of ENGIE S.A. which are publicly available. Therefore, under Section 400 of the Companies Act 2006 and paragraph 4(a) of IFRS 10 Consolidated Financial Statements, the Company is exempt from the requirement to prepare consolidated financial statements. Consequently, these separate financial statements present information about the Company as an individual undertaking and not its group. Where relevant, equivalent disclosures have been given in the group accounts of ENGIE S.A. The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 11.

#### Changes in accounting policies and disclosures

##### (a) New standards, amendments and interpretations

IFRS 16 'Leases' was introduced for reporting periods commencing 1 January 2019. The Company has considered the standard and it is not applicable for the current or prior accounting periods.

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 101 – reduced disclosure exemptions

- (a) financial instruments as required by IFRS 7 *Financial Instruments: Disclosures*;
- (b) financial instrument valuation techniques and input used for fair value measurement as required by paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;
- (c) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period),
- (d) the following paragraphs of IAS 1:
  - i. 10(d) (the requirement to present a statement of cash flows),
  - ii. 10(f) (the requirement to present a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - iii. 16 (the requirement to make an explicit and unreserved statement of compliance with IFRSs),
  - iv. 38A (the requirement to present a minimum of two primary statements, including cash flow statements),

**Notes to the financial statements  
for the year ended 31 December 2019 (continued)**

**2.2 Financial reporting standard 101 – reduced disclosure exemptions (continued)**

- v. 38B-D (the requirement to disclose comparative information for narrative disclosures and for information going beyond the requirements of IFRSs' additional comparative information),
- vi. 40A-D (the requirement to present a third statement of financial position),
- vii. 111 (the requirement for disclosure of cash flow information), and
- viii. 134 to 136 (the requirement to disclose the entity's objectives, policies and processes for managing capital);
- (e) the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows for the period;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective;
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- (h) the requirements of paragraphs 130(f)(ii) and 30(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

**2.3 Going concern**

Given the current health and economic crisis which has evolved since the financial year end, the Directors have paid close attention to the Company's ability to continue to adopt the going concern basis of preparation for these financial statements. The Company had net liabilities of €4,000 as at 31 December 2019 (2018: €4,000). The Directors have considered the application of the going concern basis of accounting. In making this assessment, the Directors have considered the intention of the Directors of International Power Ltd., to provide financial support to the Company in the conduct of its ordinary business for a period of twelve months from the date of approval of these financial statements. The Directors, having assessed the responses of the Directors of International Power Ltd. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern or its ability to fulfil its financial obligations. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors have assessed this exposure as acceptable.

**2.4 Functional and presentation currency**

The Company's functional and presentation currency is Euros. The financial statements of the Company are presented in Euros and are rounded to the nearest thousand Euros.

**2.5 Taxation**

Tax is recognised in the Income Statement, except that an expense or credit attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax expense is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the reporting date.

**2.6 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value in accordance with IFRS 9.

**Financial liabilities**

*At amortised cost*

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash

**Notes to the financial statements  
for the year ended 31 December 2019 (continued)**

payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**3. Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with FRS 101 requires the use of estimates and assumptions to determine the value of assets and liabilities, and contingent assets and liabilities at the reporting date, as well as income and expenses reported during the period.

There are no key accounting judgments used in preparing the Company's financial statements.

**4. Directors' and employees' remuneration**

The Directors did not receive any fees or emoluments from the Company during the year (2018: *€nil*) directly attributable to their position within the Company. There exist no qualifying services from Directors attributable to the Company and Director fees are paid by other entities (of which *€nil* is applicable to this entity).

The Company had no employees during the financial year (2018: *none*).

**5. Auditor's remuneration**

The auditor's remuneration in respect of the statutory audit for the years ended 31 December 2019 and 31 December 2018 was borne by International Power Ltd.

The auditor's remuneration was as follows:

	2019 €000	2018 €000
Auditor's remuneration for the financial year	<u>2</u>	<u>2</u>

**6. Taxation**

**Analysis of tax expense**

	2019 €000	2018 €000
<b>Current tax:</b>		
UK corporation tax	<u>-</u>	<u>(97)</u>

	2019 €000	2018 €000
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**Reconciliation of total tax expense**

Loss before taxation	<u>-</u>	<u>-</u>
Current tax at 19% (2018: 19%)	<u>-</u>	<u>-</u>
Foreign exchange loss on tax balance	<u>-</u>	<u>(97)</u>
Tax expense on loss	<u>-</u>	<u>(97)</u>

**Notes to the financial statements  
for the year ended 31 December 2019 (continued)**

**6. Taxation (continued)**

The current and prior year applicable statutory tax rate is 19%.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2016 (on 6 September 2016). This included a reduction to the main rate to 17% from 1 April 2020.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements and deferred taxes have therefore been measured at the rate of 17% that was substantively enacted at the year end.

It is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would not be material to these financial statements.

**7. Creditors: amounts falling due within one year**

	2019 €000	2018 €000
Accruals	<u>4</u>	<u>4</u>

**8. Share capital and reserves**

**a. Called up share capital**

	2019 €000	2018 €000
1,002 ordinary shares of €1.20 each (2018: 1,002 ordinary shares)	<u>1</u>	<u>1</u>

On 22 February 2018, the Company issued 2 ordinary shares for an aggregate subscription price of €18,010,731 which was settled via an intercompany balance.

The share capital represents the ordinary shares in the Company issued at par which carry a right to participate in the distribution of dividends or capital of the Company.

Ordinary shares rank equally with each other with regard to voting rights.

**b. Reserves**

The share premium account represents the difference between the issue price and the nominal value of shares issued.

Retained earnings includes all current and prior period retained profits and losses.

**Notes to the financial statements  
for the year ended 31 December 2019 (continued)**

**9. Related party transactions**

As at 31 December 2019 and 31 December 2018, the Company was a wholly owned subsidiary of International Power Ltd. which is wholly owned by ENGIE S.A. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions with other wholly owned entities of ENGIE S.A.

There are no transactions with related parties that are not wholly owned by ENGIE S.A.

**10. Post balance sheet events**

Since the year end, the world has and is continuing to face the COVID-19 pandemic on an unprecedented scale which is resulting in a health and economic crisis and the ENGIE Group is taking numerous actions to help weather the storm. The ENGIE Group's top priority is clearly the health and safety of all its stakeholders, especially its employees.

The Company and the ENGIE Group have no experience of a similar crisis and it is difficult to predict the full extent that coronavirus will have on activities; however, the Company is confident it has access to financial support to help overcome any financial challenges that may arise. The situation is, of course, under continual review.

**11. Controlling party and ultimate parent undertaking**

The Company's immediate parent undertaking is International Power Ltd., the registered address is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom. The Directors consider the Company's ultimate parent undertaking and controlling party to be ENGIE S.A. which was incorporated in France and is headquartered in Paris, France and which is the parent undertaking of the largest and smallest group in which the results of the Company are consolidated for the year ended 31 December 2019 and the year ended 31 December 2018. The consolidated financial statements of ENGIE S.A., may be obtained from its registered office at 1 Place Samuel de Champlain, Faubourg de l'Arche, 92930 Paris la Défense, France.