

INTERNATIONAL POWER HUMBOLDT

Company No: 06309301

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2010

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Directors' report

The Directors present their report and audited financial statements of International Power Humboldt (the "Company") for the year ended 31 December 2010

Principal activities

The Company acts as a finance company for International Power plc, its subsidiaries and to companies in which International Power plc has a direct or indirect interest and which are treated as joint ventures or associates in its consolidated financial statements. The Company's ultimate parent company during the year ended 31 December 2010 was International Power plc, a company listed on the London Stock Exchange

Business review

The results of the Company are as follows

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Profit for the year	8,980	7,635

As shown in the profit and loss account on page 6, the profit after tax for the year ended 31 December 2010 increased primarily due to a prior year tax adjustment related to group relief received for nil payment of tax. The impact of this tax adjustment was partly offset by a decrease in interest receivable due to lower interest rates.

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end. The net assets have increased from £243,386,000 to £252,366,000 as a result of the net profit for the year.

Dividends

The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2010 (2009 £nil).

Significant events and future developments

During the year ended 31 December 2010 the Company was a subsidiary undertaking of International Power plc, which was the ultimate parent company incorporated in the United Kingdom. With effect from 3 February 2011, following the reverse acquisition of International Power plc by GDF SUEZ S.A. on that date, the Directors consider the ultimate parent company to be GDF SUEZ S.A. GDF SUEZ S.A. is incorporated in France and headquartered in Paris, France.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements other than those noted above.

The Company has no significant future developments to report.

Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, the Directors continue to adopt the 'going concern' basis for the preparation of the financial statements.

Principal risks and uncertainties*Interest rate risk*

The Company has interest-bearing assets which are loans advanced to group undertakings that had a carrying value of £254,287,000 at 31 December 2010. The interest-bearing assets earn interest at floating rates which are set at LIBOR plus margin. Although the rates of interest are variable and this creates volatility in earnings from period to period, the Company has no substantial liabilities and the Company remains profitable.

Directors' report (continued)*Counterparty credit risk*

The company is exposed to counterparty credit risk on its amounts due from group undertakings that had a carrying value of £257,550,000 at 31 December 2010. The Directors have assessed the risk of default of counterparties and consider this risk to be remote, and consequently the amounts due from group undertakings have not been impaired in the current year. However, there remains a potential risk that amounts due from group undertakings could become impaired in future periods.

Directors

The Directors who held office during the financial year and up until the date of this report were as follows

P L Small

A S J Ramsay

M D Williamson

(resigned 3 February 2011)

Directors' and officers' liability insurance

During the year ended 31 December 2010, the Company's ultimate parent company was International Power plc, which maintained insurance for the Directors to indemnify them against certain liabilities which they may incur in their capacity as Directors or officers of the Company, including liabilities in respect of which the Company itself is unable to provide an indemnity.

Employees

Details of the number of employees and related costs can be found in note 2 to the financial statements.

Political and charitable donations

The Company did not make any political or charitable donations during the year (2009 £nil).

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

P L Small

Director

20 August 2011

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of International Power Humboldt

We have audited the financial statements of International Power Humboldt for the year ended 31 December 2010 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

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.



Richard Gorsuch (Senior Statutory Auditor)
for and behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

30 August 2011

**Profit and loss account
for the year ended 31 December 2010**

		Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
	Note		
Interest receivable and similar income	4	7,910	10,604
Profit on ordinary activities before taxation		7,910	10,604
Tax credit/(charge) on profit on ordinary activities	5	1,070	(2,969)
Profit for the year		8,980	7,635

All results arose from continuing operations

The Company had no other recognised gains or losses in the current or preceding year

The notes on pages 9 to 12 form part of these financial statements

INTERNATIONAL POWER HUMBOLDT**Company No: 06309301****Balance sheet
as at 31 December 2010**

	Note	31 December 2010 £'000	31 December 2009 £'000
Current assets			
Debtors amounts falling due within one year	6	257,550	249,640
Total current assets		257,550	249,640
Creditors: amounts falling due within one year	7	(5,184)	(6,254)
Net current assets		252,366	243,386
Total assets less current liabilities		252,366	243,386
Net assets employed		252,366	243,386
Capital and reserves			
Called up share capital	8/9	374	374
Share premium account	9	227,327	227,327
Profit and loss account	9	24,665	15,685
Equity shareholder's funds		252,366	243,386

The notes on pages 9 to 12 form part of these financial statements

These financial statements were approved and authorised for issue by the Board of Directors on 30 August 2011 and signed on its behalf by



M D Williamson
Director

**Reconciliation of movements in shareholder's funds
for the year ended 31 December 2010**

	Note	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Shareholder's funds at beginning of the year	9	243,386	141,164
Profit for the year	9	8,980	7,635
Issue of shares	9	-	94,587
Shareholder's funds at end of the year		252,366	243,386

The notes on pages 9 to 12 form part of these financial statements

**Notes to the financial statements
for the year ended 31 December 2010****1. Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

a. Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice (UK GAAP)

Under section 400 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated group accounts on the grounds that its results are included in the accounts of its ultimate parent undertaking, which for the year ended 31 December 2010 was International Power plc. Consequently, the financial statements present information about the Company as an individual undertaking and not its group. With effect from 3 February 2011, following the reverse acquisition of International Power plc by GDF SUEZ S A, on that date, the Directors consider the Company's ultimate holding company to be GDF SUEZ S A.

b. Cash flow statement

During the year ended 31 December 2010 the Company was a wholly owned subsidiary of International Power plc and is included in the consolidated financial statements of International Power plc. Therefore the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

c. Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

d. Tax

UK corporation 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 differences can be deducted.

Deferred tax is measured at the weighted 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 an undiscounted basis.

e. Amounts owing from group undertakings

Amounts owing from group undertakings are carried at amortised cost using the effective interest rate method less any allowance for estimated impairments.

2 Directors' and employees' remuneration

The Directors did not receive any fees or emoluments during the year directly attributable to their position within the Company (2009 £nil). The Company had no employees during this financial year (2009 nil).

**Notes to the financial statements
for the year ended 31 December 2010 (continued)**

3. Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2010 and 31 December 2009 was borne by International Power plc

The auditor's remuneration was as follows

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Auditor's remuneration for the year	3,650	3,650

4. Interest receivable and similar income

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Interest receivable from group undertakings	7,910	10,604
	7,910	10,604

5. Tax (credit)/charge on profit on ordinary activities

Analysis of (credit)/charge in the year	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
UK Corporation tax	2,215	2,969
Prior year tax adjustment	(3,285)	-
	(1,070)	2,969

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	7,910	10,604
Current tax charge at 28% (2009 28%)	2,215	2,969
Prior year tax adjustment for group relief received for nil payment	(3,285)	-
Total current tax (credit)/charge	(1,070)	2,969

6 Debtors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Amounts due from group undertakings-interest	3,263	3,041
Amounts due from group undertakings-loan	254,287	246,599
	257,550	249,640

Notes to the financial statements
for the year ended 31 December 2010 (continued)

7. Creditors: amounts falling due within one year

	31 December 2010 £'000	31 December 2009 £'000
Corporation tax	5,184	6,254
	<u>5,184</u>	<u>6,254</u>

8. Called up share capital

	31 December 2010 £'000	31 December 2009 £'000
Allotted, called up and fully paid		
374,200 ordinary shares of £1 00 each (2009 374,200 ordinary shares)	374	374

9. Capital and reserves

	Share capital £'000	Share premium account £'000	Translation reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2010	374	227,327	-	15,685	243,386
Profit for the year	-	-	-	8,980	8,980
Balance as at 31 December 2010	374	227,327	-	24,665	252,366
	Share capital £'000	Share premium account £'000	Translation reserve £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2009	94	133,020	-	8,050	141,164
Profit for the year	-	-	-	7,635	7,635
Issue of shares	280	94,307	-	-	94,587
Balance as at 31 December 2009	374	227,327	-	15,685	243,386

10. Related party disclosure

As at 31 December 2010 and 31 December 2009, the Company was a wholly owned subsidiary of International Power Holdings B V , which was controlled by International Power plc . The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which are wholly owned by International Power plc . There are no transactions or balances with other related parties which are non-wholly owned entities

The consolidated financial statements of International Power plc within which this Company is included, can be obtained from the address given in note 11

**Notes to the financial statements
for the year ended 31 December 2010 (continued)****11. Controlling party and ultimate parent undertaking**

During the year ended 31 December 2010 the Company was a subsidiary undertaking of International Power plc, which was the ultimate parent company incorporated in the United Kingdom

The largest group in which the results of the Company were consolidated for the year ended 31 December 2010 was that headed by International Power plc, incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of International Power plc may be obtained by calling or writing to International Power plc, Senator House, 85 Queen Victoria Street, London EC4V 4DP or by sending an email to ipr.relations@iprplc-gdfsuez.com. Telephone +44 (0)20 7320 8600

With effect from 3 February 2011, following the reverse acquisition of International Power plc by GDF SUEZ S A on that date, the Directors consider the Company's ultimate holding company to be GDF SUEZ S A which was incorporated in France and is headquartered in Paris, France. Copies of its consolidated financial statements are available from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France

12. Subsequent events

With the exception of change in the ultimate holding company as detailed in Note 11 above, there are no events after the balance sheet date to report