

GGE FLOW UK LIMITED

REGISTRATION NUMBER: 10768275

**DIRECTORS' REPORT AND AUDITED FINANCIAL
STATEMENTS
FOR THE PERIOD FROM 12 MAY 2017 TO 31 DECEMBER 2017**

THURSDAY



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COMPANIES HOUSE

GGE FLOW UK LIMITED
GENERAL INFORMATION

| | |
|----------------------------|--|
| DIRECTORS | M A Fernandes (appointed on 12 May 2017) M D C Helmore (appointed on 12 May 2017) A Signori (appointed on 12 May 2017) S Johnson (appointed on 12 May 2017) |
| REGISTERED NUMBER | 10768275 |
| REGISTERED OFFICE | Governors House Laurence Pountney Hill London EC4R 0HH United Kingdom |
| INDEPENDENT AUDITOR | KPMG LLP 15 Canada Square London E14 5GL United Kingdom |
| LEGAL ADVISOR | CLIFFORD CHANCE 10 Upper Bank Street London E14 5JJ United Kingdom |
| ADMINISTRATOR | SANNE GROUP (UK) LIMITED 21 Palmer Street London SW1H 0AD United Kingdom |

GGE FLOW UK LIMITED

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GGE FLOW UK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

The Directors present their report and financial statements of GGE Flow UK Limited (the "Company") for the period from 12 May 2017 (date of incorporation) to 31 December 2017 ("the period").

Directors

The directors who served for the period ended 31 December 2017 and as at the date of approving this report are:

| | |
|---------------|----------------------------|
| M A Fernandes | (appointed on 12 May 2017) |
| M D C Helmore | (appointed on 12 May 2017) |
| A Signori | (appointed on 12 May 2017) |
| S Johnson | (appointed on 12 May 2017) |

Principal activity

The principal activity of the Company is to act as an investment company.

Business review and results

The Company was incorporated on 12 May 2017 and had an investment in 100% of the equity of GGE Polska Gaz sp. Z o.o ("GGE Polska"), a Polish entity that owns Duon Group which operates in the energy sector in Poland. On 19 December 2017, the Company has undertaken a capital reduction and distributed the shares it held in GGE Polska to GGE UK 1 Limited, its sole shareholder.

The Company has loan notes in issue which are listed on The International Stock Exchange. The holder of these loan notes is GGE SLP LP.

The ultimate parent company of GGE Flow UK Limited is Prudential Plc, a company registered in England and Wales. Consolidated financial statements are prepared by Prudential Plc and copies of these are available from the registered office at Laurence Pountney Hill, London, EC4R 0HH.

Details of the results for the period are set out in the Statement of Comprehensive Income on page 10. The loss for the period was PLN 4,594,000 and the net liabilities at 31 December 2017 were PLN 758,000. The Company had no recognised gains or losses other than those disclosed on page 10.

Dividends

Dividends in specie was made during the period. The Directors do not recommend the payment of a final dividend.

Going concern

The financial statements have been prepared on a basis other than going concern.

Following the disposal of the equity held in GGE Polska Gaz sp Z o.o during the period then ended and the transfer and issuance of the loan held by GGE Polska Gaz sp Z o.o to GEE UK 1 Limited after year end, there are no further plans for the Company to make any further investments, the directors have assessed that the Company will be liquidated within 12 months from the date of signing the Financial Statements. The Company has distributed to its sole shareholder the proceeds from the disposal of the investments during the period then ended and is in the process of settling the outstanding liabilities ahead of the liquidation of the Company.

Qualifying third party indemnities

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial period ended 31 December 2017 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the director in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, power or office.

GGE FLOW UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

Risks and uncertainties

The risks and uncertainties faced by the Company are those inherent within the financial services industry, but are primarily:

- Liquidity risk – the Company's investment is illiquid and long-term. Such investments may be illiquid because, among other reasons, there is no established market for the particular type of asset, there is a scarcity of disposal options and/or potential acquirers, or there are legal, tax, regulatory or contractual restrictions associated with the disposal of the investment;
- Operational risk – losses could result from inadequate or failed internal and external processes, systems and human error or from external events over which the management has no control;
- Market risk – exposure to fluctuations in revenue resulting from the impact of volatile equity, bond, property prices and investment performance;
- Credit risk – investments are reliant on counterparties fulfilling their obligations; and
- Regulatory risk – subject to the effects of changes in law, regulation, policy and interpretation and any accounting standards in the markets in which it operates.

The risks and uncertainties faced by the Prudential Group are outlined in the strategic report prepared by Prudential Plc, the Company's ultimate parent company. Consolidated financial statements can be obtained from the address in note 17.

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard in the UK and Republic of Ireland ("FRS 102").

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or cease operations, or have no realistic alternative but to do so (as explained in note 1 (g), the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

The Company has taken advantage of the exemption provided for under section 414(B) of the Companies Act 2006, and has not produced a strategic report.

GGE FLOW UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

Disclosure of Information to Auditor

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

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that each director has taken all the steps that he ought to have 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.

Post-Balance Sheet Events

On 11 January 2018, GGE Flow UK Limited entered into an agreement with its shareholder and other related parties, on the basis of which the loan to GGE Polska Gaz sp. Zo.o was transferred and replaced by a new loan to GGE UK 1 Limited in the amount of PLN 124,371,000 accruing interest at the rate of 7% per annum.

Auditor

KPMG LLP was appointed as the auditor during the period.

The report was approved by the board on 20 September 2018 and signed on its behalf.



M A Fernandes
Director

20 September 2018

GGE FLOW UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GGE FLOW UK LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2017

Our opinion is unmodified

We have audited the financial statements of GGE UK Flow Limited ("the Company") for the period from 12 May 2017 to 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Board of Directors.

We were appointed as auditor by the Directors on 23 April 2018. The period of total uninterrupted engagement is the period from 12 May 2017 to 31 December 2017. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter, in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

GGE FLOW UK LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GGE FLOW UK LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2017 (CONTINUED)**

| Key audit matter | The risk | Our response |
|---|--|--|
| Impairment of investments (Nil) Refer to note 1(d) (accounting policy) and notes 9 and 14 (financial disclosures) | Subjective valuation: The Company's investment in loan notes provided to GGE Polska Gaz sp. Z.o.o. is held at cost less impairment. The principal activity of GGE Polska Gaz sp. Z.o.o. is to hold an investment in a Polish energy company, which is unlisted. The unlisted investment is measured at fair value which is established in accordance with International Private Equity and Venture Capital ("IPEV") Guidelines. In determining the fair value of the underlying investment, which is used by management to identify any impairment indicators for the loan notes, significant judgement and inputs which are unobservable. This represents a significant risk. | Our procedures include: Control design: We documented and assessed the design and implementation of the investment valuation process and controls. Control observation: We attended the year end valuation meeting with the Directors and investment manager to assess their discussion and review of the investment valuation. Methodology choice: In the context of the observed industry best practice and the provisions of IPEV Guidelines, we challenged the appropriateness of the valuation basis adopted, with assistance from our valuation specialist. Our valuation experience: With assistance from our valuation specialist, we challenged the Directors on key judgements affecting the investee company valuations, such as discount factors and choice of benchmarks for earnings multiples. We compared key underlying financial data inputs to external sources, investee company audited accounts and management information as applicable. We challenged the assumptions around sustainability of earnings based on the plans of the investee company. Our work included consideration of events which occurred subsequent to the period end up to the date of this report. Assessing transparency: We considered the appropriateness, in accordance with relevant accounting standards, of the disclosures in respect of the investment in GGE Polska Gaz sp. Z.o.o. Our findings: The results of our procedures were satisfactory. |

Our application of materiality and an overview of the scope of our audit

Materiality for the company financial statements as a whole was set at Zł1,246k, determined with reference to a benchmark of company total assets, of which it represents 1%.

We agreed to report to the Board of Directors any corrected or uncorrected identified misstatements exceeding at Zł62k, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the GGE UK Flow Limited was undertaken to the materiality level specified above and was all performed at the company's head office at Laurence Pountney Hill, London, EC4R 0HH.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1(g) to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

GGE FLOW UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GGE FLOW UK LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2017 (CONTINUED)

We have nothing to report on the directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

we have not identified material misstatements in that report;

- in our opinion the information given in the directors' report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities, or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance; but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

GGE FLOW UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GGE FLOW UK LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2017 (CONTINUED)

Irregularities - ability to detect

Our audit aimed to detect non-compliance with relevant laws and regulations (irregularities) that could have a material effect on the financial statements. In planning and performing our audit we considered the impact of laws and regulations in core areas such as financial reporting, and company and taxation legislation.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors, the manager and the administrator (as required by auditing standards).

We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation). We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements items.

We communicated identified laws and regulations throughout our team which included individuals with experience relevant to those laws and regulations, and remained alert to any indications of non-compliance throughout the audit.

As with any audit, there remained a higher risk of non-detection of non-compliance with relevant laws and regulations (irregularities), as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

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 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 member, for our audit work, for this report, or for the opinions we have formed.



Fang Fang Zhou (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

26 September 2018

GGE FLOW UK LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

| | Note | 12 May 2017 to 31 Dec 2017 PLN 000 |
|---|------|---|
| Investment income | 3 | 2,880 |
| Administrative expenses | 4 | (156) |
| Operating profit | | 2,724 |
| Interest payable | 5 | (3,708) |
| Provision for impairment | 9 | (3,610) |
| Loss on ordinary activities before tax | | (4,594) |
| Tax on loss on ordinary activities | 6 | - |
| Loss for the period | | (4,594) |
| Total comprehensive loss | | (4,594) |


There was no other comprehensive income for the period ended 31 December 2017 other than those included in the Statement of Comprehensive Income, all of which is derived from discontinuing activities.

(The notes on pages 13 to 18 form part of these financial statements)

GGE FLOW UK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2017

| | Note | 2017 PLN 000 |
|---|------|-----------------|
| Current assets | | |
| Investments | 9 | 121,292 |
| Debtors - amounts falling due within one year | 10 | 3,292 |
| | | <u>124,584</u> |
| Current liabilities | | |
| Creditors - amounts falling due within one year | 11 | (125,342) |
| Net current liabilities | | <u>(758)</u> |
| Net liabilities | | <u>(758)</u> |
| Capital and reserves | | |
| Called up share capital | 12 | - |
| Share premium | 12 | - |
| Profit and loss account | 13 | (758) |
| Shareholder's funds | | <u>(758)</u> |

The financial statements on pages 10 to 18 have been approved by the Board of directors and signed on its behalf by:-



M A Fernandes
Director



M D C Helmore
Director

20 September 2018

(The notes on pages 13 to 18 form part of these financial statements)

GGE FLOW UK LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 DECEMBER 2017**

| | Share capital PLN 000 | Share premium PLN 000 | Profit and loss account PLN 000 | Total PLN 000 |
|--|-----------------------------|-----------------------------|--|------------------|
| Balance at 12 May 2017 | - | - | - | - |
| Loss for the period | - | - | (4,594) | (4,594) |
| Total comprehensive loss for the period | - | - | (4,594) | (4,594) |
| Transactions with owners, recorded directly in equity | | | | |
| Issue of shares | 1,216 | 120,336 | - | 121,552 |
| Reduction of capital | (1,216) | (120,336) | 121,552 | - |
| Dividend in specie | - | - | (117,716) | (117,716) |
| | - | - | 3,836 | 3,836 |
| Balance at 31 December 2017 | - | - | (758) | (758) |

(The notes on pages 13 to 18 form part of these financial statements)

GGE FLOW UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

1. Accounting policies

GGE Flow UK Limited ("the Company") is a company incorporated and domiciled in the UK. These financial statements are prepared for the period from incorporation on 12 May 2017 to 31 December 2017 ("the period").

Basis of preparation

The Company's financial statements have been prepared in accordance with UK Generally Accepted Accounting Principles including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements present information about the Company as an individual undertaking and not about its group. The Company's ultimate parent, Prudential Plc, includes the Company in its consolidated financial statements. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publically available. Accordingly, the Company may adopt FRS 102 and take advantage of reduced disclosure exemptions.

The Company has taken advantage of the exemptions under FRS 102 section 7 Statement of Cash Flows paragraphs 1.8 to 1.12, not to prepare a cash flow statement for the period ended 31 December 2017.

The principal accounting policies adopted have been set out below:

a) Investment income

Investment income is earned on debt securities held. Interest income from debt securities is accounted for on an accruals basis.

b) Interest payable

Interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

c) Tax

Tax is recognised in the statement of comprehensive income, except to the extent that it is a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the deferred tax liabilities or other future taxable profits.

d) Investments

Investments are held at cost less impairment. At the end of each reporting period, the Directors review the carrying amounts of fixed asset investment to determine whether there is any indication that the asset has suffered an impairment loss, being a permanent diminution in value. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised immediately in the Statement of Comprehensive Income.

GGE FLOW UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

d) Investments (continued)

In assessing recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

e) Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

f) Functional and presentation currency

The Company's functional currency is considered to be the Polish Zloty ("PLN"). The Directors have chosen the PLN as the Company's presentation currency. PLN is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions that affect the Company.

g) Going concern

The financial statements have been prepared on a basis other than going concern.

Following the disposal of the equity held in GGE Polska Gaz sp Z o.o during the period then ended and the transfer and issuance of the loan held by GGE Polska Gaz sp Z o.o to GEE UK 1 Limited after year end, there are no further plans for the Company to make any further investments, the directors have assessed that the Company will be liquidated within 12 months from the date of signing the Financial Statements. The Company has distributed to its sole shareholder the proceeds from the disposal of the investments during the period then ended and is in the process of settling the outstanding liabilities ahead of the liquidation of the Company.

2. Use of judgements and estimates

In preparing these financial statements, the Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The Directors exercise judgement through their assessments of indicators of impairment giving rise to an impairment in value.

3. Investment income

12 May 2017
to
31 Dec 2017
PLN 000

Interest received on debt securities

2,880

GGE FLOW UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017****4. Administrative expenses**

12 May 2017
to
31 Dec 2017
PLN 000

Auditor's remuneration – audit fees
Other professional fees

42
114
156

5. Interest payable

12 May 2017
to
31 Dec 2017
PLN 000

Interest payable on 7% loan notes

3,708

6. Tax**a) Analysis of charge in the period:**

12 May 2017
to
31 Dec 2017
PLN 000

Current tax:
Current tax for the period
Total current tax charge

-
-
-

b) Factors affecting tax charge for the period

There were no factors that affected the tax charge for the period which has been calculated on the result on ordinary activities before tax at the standard rate of corporation tax in the UK of 19%.

12 May 2017
to
31 Dec 2017
PLN 000

Loss on ordinary activities before tax

(4,594)

Loss on ordinary activities before tax multiplied by standard rate of
UK Corporation Tax of 19% (2016 – 20%)

(872)

Movement in unprovided deferred tax asset

177

Expenses not deductible for tax purposes

695

Total tax charge for the period

-

No deferred tax asset is recognised in the financial statements as there are no taxable profits anticipated in the entity before liquidation.

c) Factors that may affect future tax charges:

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce any future current tax charge for the Company accordingly.

GGE FLOW UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017****7. Directors' emoluments**

No emoluments were paid to the Directors during the period in connection with the management of the affairs of the Company.

One of the Directors exercised Prudential Plc share options during the period.

All directors were employed during the period by M&G Limited, the Company's immediate parent company. Analyses of staff costs, pension commitments and share based payments are shown in the annual report and financial statements of that company.

8. Employees

The Company had no employees in the period.

9. Investments

| | 2017 PLN 000 |
|--------------------------|-----------------|
| Cost | |
| Opening balance | - |
| Additions - equity | 121,326 |
| Additions - loan notes | 121,292 |
| Disposals | (117,716) |
| Provision for impairment | (3,610) |
| Closing balance | 121,292 |

The Company acquired 100% of the entire issued ordinary share capital of GGE Polska Gaz sp. Zo.o ("GGE Polska"), a Polish entity with registered office at Ul. Weglowa 7, 40-106 Katowice, Poland. Its principal activity is to act as an investment company. GGE Polska owns Duon Group which operates in the energy sector in Poland.

On 19 December 2017, the Company has undertaken a capital reduction and made a non-monetary distribution of an amount of PLN 117,716,000 representing the shares it holds in GGE Polska to GGE UK 1 Limited, its sole shareholder. The remaining amount of PLN 3,610,000 was impaired.

The loan note investments are made up of PLN 121,292,000 unsecured loan notes with an interest rate of 5.45%.

10. Debtors - amounts falling due within one year

| | 2017 PLN 000 |
|-----------------------------------|-----------------|
| Accrued investment income | 2,880 |
| Amounts owed by group undertaking | 412 |
| | 3,292 |

11. Creditors - amounts falling due within one year

| | 2017 PLN 000 |
|----------------------------------|-----------------|
| Interest bearing loan notes (7%) | 122,741 |
| Accrued interest payable | 2,519 |
| Accrued expenses | 82 |
| | 125,342 |

GGE FLOW UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017****11. Creditors - amounts falling due within one year (continued)**

The loan notes issued are made up of PLN 122,477,613 unsecured loan notes with an interest rate of 7% payable to GGE SLP LP.

12. Called up share capital

| | Share capital PLN 000 | Share premium PLN 000 | Total PLN 000 |
|----------------------------|--------------------------|-----------------------------|------------------|
| As at beginning of period | - | - | - |
| Issue of shares | 1,216 | 120,336 | 121,552 |
| Cancellation of shares | (1,216) | (120,336) | (121,552) |
| As at end of period | - | - | - |

On 12 May 2017, the Company allotted GGE UK 1 Limited 1 ordinary share with a nominal value of PLN 4.8012.

On 26 July 2017, the Company allotted GGE UK 1 Limited 253,169 ordinary shares with a nominal value of PLN 4.8012 including a share premium of PLN 120,336,000. The cancellation of shares gives rise to distributable reserves and is compliant with the relevant Company Act legislation.

On 19 December 2017, a resolution was approved by the sole shareholder for the cancellation of 253,169 ordinary shares of PLN 4.8012 each and all the share premium account with the cancelled amounts recognised in the profit and loss account.

13. Profit and loss account

| | 2017 PLN 000 |
|---|-----------------|
| As at beginning of period | - |
| Cancellation of share premium (see note 12) | 120,336 |
| Cancellation of share capital (see note 12) | 1,216 |
| Dividends paid | (117,716) |
| Loss for the period | (4,594) |
| As at end of period | (758) |

14. Financial Instruments**Financial assets**

The Company holds loan notes in its investment undertaking. The loan notes are held at amortised cost, where the fair value of the loan notes is deemed a reasonable approximation of amortised cost. The loan notes are made up of PLN 121,292,000 unsecured loan notes with an interest rate of 5.45%.

Financial liabilities

The Company has issued loan notes which are held at amortised cost, where the fair value of the loan notes is deemed a reasonable approximation of amortised cost. The loan notes issued are made up of PLN 122,477,613 unsecured loan notes with an interest rate of 7% payable to GGE SLP LP.

GGE FLOW UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

15. Related party transactions

During the period to 31 December 2017 the Company had interest payable to GGE SLP LP of PLN 3,708,000 of which PLN 2,519,000 remained outstanding at the period end. There were no other related party transactions other than those disclosed in notes 5 and 11.

In accordance with paragraph 33.1A of FRS 102, the Company has not disclosed transactions with other wholly owned group companies.

16. Post balance sheet events

On 11 January 2018, GGE Flow UK Limited entered into an agreement with its shareholder and other related parties, on the basis of which the loan to GGE Polska Gaz sp. Zo.o was transferred and replaced by a new loan to GGE UK 1 Limited in the amount of PLN 124,371,000 accruing interest at the rate of 7% per annum.

17. Immediate and ultimate controlling party

The Company's immediate parent company is GGE UK 1 Limited, a company registered in England and Wales.

The ultimate parent company of GGE UK 1 Limited is Prudential Plc, a company registered in England and Wales. Consolidated financial statements are prepared by Prudential Plc and copies of these are available from the registered office at Laurence Pountney Hill, London, EC4R 0HH.