

FC 27762

000220/E80

In accordance with  
Regulation 32 of the  
Overseas Companies  
Regulations 2009

**OS AA01**

Statement of details of parent law and other  
information for an overseas company



Companies House

☒ What this form is for  
You may use this form to  
accompany your accounts  
disclosed under parent law

☒ What this form is NOT for  
You cannot use this form  
an alteration of manner of  
with accounting requirement

THURSDAY



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13/02/2014

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COMPANIES HOUSE

## Part 1 Corporate company name

Corporate name of overseas company ① IP KARUGAMO HOLDINGS LIMITED

UK establishment number B R 0 1 3 4 8 0

→ Filling in this form  
Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

① This is the name of the company in  
its home state

## Part 2 Statement of details of parent law and other information for an overseas company

### A1 Legislation

Please give the legislation under which the accounts have been prepared and,  
if applicable, the legislation under which the accounts have been audited

Legislation ② Gibraltar Companies Act and the Companies (Accounts) Act 1999

② This means the relevant rules or  
legislation which regulates the  
preparation and, if applicable, the  
audit of accounts

### A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted  
accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes Please enter the name of the organisation or other  
body which issued those principles below, and then go to Section A3

③ Please insert the name of the  
appropriate accounting organisation  
or body

Name of organisation or body ③ Gibraltar Society of Accountants

### A3 Accounts

Accounts Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

# OS AA01

Statement of details of parent law and other information for an overseas company

**A4**

## Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box

☐ No Go to Part 3 'Signature'

☒ Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'

① Please insert the name of the appropriate accounting organisation or body

Name of organisation or body ①

Auditing Practices Board

**A5**

## Unaudited accounts

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box

☐ No

☐ Yes

## Part 3

## Signature

I am signing this form on behalf of the overseas company

Signature

Signature

X



X

This form may be signed by  
Director, Secretary, Permanent representative

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Company Secretariat
Company name	International Power Ltd
Address	Senator House 85 Queen Victoria Street
Post town	London
County/Region	
Postcode	E C 4 V 4 D P
Country	
DX	
Telephone	0207 320 8600



## Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register
- ☐ You have completed all sections of the form, if appropriate
- ☐ You have signed the form



## Important information

Please note that all this information will appear on the public record



## Where to send

You may return this form to any Companies House address

### England and Wales

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

### Scotland

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

### Northern Ireland

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



## Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

**IP Karugamo Holdings Limited**

**Registration No: 98379**

**UK Company Registration No: FC027762**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2012**



COMPANIES HOUSE



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**Directors' report**

The Directors present their report and audited financial statements of IP Karugamo Holdings Limited (the Company) for the year ended 31 December 2012

One of the Company's intermediate parent companies, International Power Ltd was known formerly as International Power plc until 19 March 2013 when it re-registered as International Power Ltd

**Principal activities**

The Company was incorporated on 26 March 2007 in Gibraltar and is managed and controlled in the United Kingdom. The principal activity of the Company is that of an investment holding company

**Business review**

The results of the Company are as follows

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Profit for the financial year	87,045	185,390

As shown in the profit and loss account on page 7, the profit before tax for the year ended 31 December 2012 has decreased in comparison to prior financial year mainly due to a loss on release of the Company's obligation under the Paton loan agreement in the current financial year

The balance sheet on page 8 of the financial statements shows the Company's financial position at the end of the reporting period. The net assets have decreased from £1,207,739,000 to £1,098,532,000 as a result of the dividend paid to International Power Consolidated Holdings Limited partially offset by profit for the financial year and the proceeds of shares issued to International Power Consolidated Holdings Limited

**Key performance indicators**

The Directors monitor KPIs at a group level, none of which are directly relevant to the assessment of the performance of the Company, and as such, no further disclosures have been made

**Investments**

On 10 December 2012, the Company increased its investment in IPM (UK) Power Holdings Limited by £89,250,000

**Share issues**

On 10 December 2012, the Board resolved to issue and allot 2 new ordinary shares of £1 each to the sole shareholder for a premium of £50,999,998. This represents an aggregate subscription price of £51,000,000

**Dividends**

Interim dividends of £187,252,059, £37,500,000 and £22,500,000, proposed by the Directors, were paid on 1 January 2012, 12 January 2012 and 23 April 2012, respectively, in respect of the year ended 31 December 2012. The Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2012

**Events after the end of the reporting period**

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements

**Future developments**

The Company has no significant future developments to report

**Directors' report (continued)****Principal risks and uncertainties***Interest rate risk*

The Company has both interest-bearing assets and interest-bearing liabilities in the form of intercompany balances with group undertakings. As at 31 December 2012, interest-bearing assets with a carrying value of £416,263,000 earned interest at LIBOR plus a margin. Interest-bearing liabilities with a carrying value of £69,562,000 accrued interest at LIBOR plus a margin. As the carrying amount of interest-bearing assets is greater than the carrying amount of interest-bearing liabilities, the Directors have assessed this risk as acceptable.

**Directors**

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

P L Small	
P J B Guillot	(appointed 14 May 2013)
M D Williamson	(resigned 15 May 2012)
G H A Peeters	(appointed 15 May 2012, resigned 14 May 2013)
G R York	(appointed 3 July 2013)

**Directors' and officers' liability insurance**

During the year ended 31 December 2012, the Company's ultimate parent company, GDF SUEZ S A, 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**

The Company had no employees (2011: none), and incurred no related costs during this financial year (2011: £nil).

**Political and charitable donations**

The Company did not make any political or charitable donations during the year (2011: £nil).

**Going concern**

The Company's activities, together with the factors likely to affect its future development and position, are set out above. The Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**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 auditor is 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 auditor is aware of that information.

**Auditors**

Deloitte Limited have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**By order of the Board**

G R York  
Director

18 November 2013



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

The Directors are responsible for preparing financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for that year and which comply with the Gibraltar Companies Act and the Companies (Accounts) Act 1999

Under that law, the Directors have elected to prepare the financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards ("Gibraltar Generally Accepted Accounting Practice") In preparing the 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company 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 IP Karugamo Holdings Limited**

### **Report on the financial statements**

We have audited the financial statements of IP Karugamo Holdings Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholder's funds and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 182 of the Gibraltar Companies Act. 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.

### **Directors' responsibilities for the financial statements**

The Directors are responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and Gibraltar Accounting Standards ("Gibraltar Generally Accepted Accounting Practice"). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibilities**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements

- give a true and fair view, in accordance with Gibraltar Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2012 and of the Company's profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act and the Companies (Accounts) Act 1999.

### **Opinion on other matter prescribed by the Companies Act**

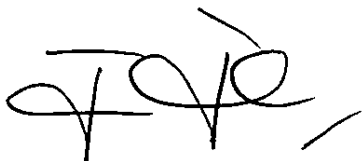
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of IP Karugamo Holdings Limited (continued)**

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

We have nothing to report in respect of the following matters where Companies Act requires us to report to you if, in our opinion

- the Company has not kept proper accounting records, or
- if information specified by law regarding the Directors' remuneration and other transactions is not disclosed, or
- we have not received all the information and explanations we require for audit



**Jonathan M Tricker (Statutory Auditor)**  
**for and on behalf of Deloitte Limited**  
**Chartered Accountants & Statutory Auditor**  
**Merchant House**  
**22/24 John Mackintosh Square**  
**Gibraltar**

**18 November 2013**

**Profit and loss account  
for the year ended 31 December 2012**

	<b>Note</b>	<b>Year ended 31 December 2012 £'000</b>	<b>Year ended 31 December 2011 £'000</b>
Reversal of provision/(provision) for indemnity payments	11	3,646	(32)
<b>Operating profit/(loss) from operating activities</b>		<b>3,646</b>	<b>(32)</b>
Income from shares in group undertakings	4	149,250	169,127
Loss on release of obligation under Paton loan agreement	12	(81,525)	-
Interest receivable and similar income	5	18,367	48,562
Interest payable and similar charges	6	(4,284)	(26,329)
<b>Profit on ordinary activities before taxation</b>		<b>85,454</b>	<b>191,328</b>
Tax credit/(charge) on profit on ordinary activities	7	1,591	(5,938)
<b>Profit for the financial year</b>		<b>87,045</b>	<b>185,390</b>

All results are from continuing operations

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


The notes on pages 10 to 16 form part of these financial statements

Balance sheet  
as at 31 December 2012

	Note	31 December 2012 £'000	31 December 2011 £'000
<b>Fixed assets</b>			
Investments in subsidiaries	8	756,726	667,476
<b>Total fixed assets</b>		756,726	667,476
<b>Current assets</b>			
Debtors amounts falling due within one year	9	416,863	1,240,094
Cash at bank and in hand		7,741	38
<b>Total current assets</b>		424,604	1,240,132
<b>Creditors: amounts falling due within one year</b>	10	(82,798)	(694,662)
<b>Net current assets</b>		341,806	545,470
<b>Total assets less current liabilities</b>		1,098,532	1,212,946
Provision for liabilities	11	-	(5,207)
<b>Net assets employed</b>		1,098,532	1,207,739
<b>Capital and reserves</b>			
Called up share capital	13,14	110	110
Share premium account	14	502,184	451,184
Profit and loss account	14	596,238	756,445
<b>Equity shareholder's funds</b>		1,098,532	1,207,739

The notes on pages 10 to 16 form part of these financial statements

These financial statements were approved and authorised for issue by the Board of Directors on 18 November 2013 and signed on its behalf by

  
P J B Gunellot  
Director

  
G R York  
Director

**Reconciliation of movements in shareholder's funds  
for the year ended 31 December 2012**

	Note	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Shareholder's funds at beginning of the year		1,207,739	1,022,349
Issue of shares	14	51,000	-
Profit for the financial year	14	87,045	185,390
Dividends	14	(247,252)	-
<b>Shareholder's funds at end of the year</b>		<b>1,098,532</b>	<b>1,207,739</b>

The notes on pages 10 to 16 form part of these financial statements

Notes to the financial statements  
for the year ended 31 December 2012

**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**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards

Gibraltar legislation applied in the preparation of these financial statements includes the Gibraltar Companies Act and the Companies (Accounts) Act 1999

**b. Consolidation**

As permitted by Schedule 8 of the Gibraltar Companies (Consolidated Accounts) Act 1999, these financial statements show the results of the Company and do not include the results of its subsidiary undertaking

This Company is included within consolidated financial statements as set out in note 16

**c. Cash flow statement**

At 31 December 2012, the Company was a wholly owned subsidiary of GDF SUEZ S A and is included in the consolidated financial statements of GDF SUEZ S A which are publicly available. Therefore, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1

**d. Foreign currencies**

Transactions denominated in foreign currencies arising in the normal course of business are translated into sterling at the exchange rate ruling on the date the transaction takes place unless related or matching forward foreign exchange contracts have been entered into, when the rate specified in the contract is used. Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences arising in the normal course of business and on the translation of monetary assets and liabilities are dealt with in the profit and loss account

**e. Dividend income**

Dividend income from fixed asset investments is recognised in the profit and loss account when the Company's rights to receive payment have been established

**f. 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

**g. Interest expense**

Interest expense 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 payments through the expected life of the financial liability to that liability's net carrying amount

**h. 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

**Notes to the financial statements  
for the year ended 31 December 2012 (continued)**

**1. Accounting policies (continued)**

**h. Tax (continued)**

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.

**i. Fixed asset investments**

Fixed asset investments are stated at cost less provision for any impairment. At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount (greater of net realisable value and value in use). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment provision is reversed to the extent that the asset's recoverable amount is greater than the carrying value of the fixed asset investment.

**j. Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and the amount can be reliably estimated. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the impact is material.

**k. Dividends on shares presented within shareholder's funds**

Dividends payable are recognised as a liability when the Company formally acts to make a distribution on or before the balance sheet date and becomes legally obligated to the shareholders to do so. Unpaid dividends that do not meet these criteria are not recognised in the financial statements but are disclosed in the notes.

**l. 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.

**m. Amounts owing to group undertakings**

Amounts due to group undertakings are recognised initially at their net proceeds. Subsequently, amounts owing to group undertakings are stated at amortised cost using the effective interest method.



Notes to the financial statements  
for the year ended 31 December 2012 (continued)

2. Directors' and employees' remuneration

The Directors did not receive any fees or emoluments from the Company during the year (2011: £nil) directly attributable to their position within the Company. All Directors' fees or emoluments were paid by International Power plc and the amount attributable to the qualifying services provided by the Directors to the Company cannot be reliably estimated.

The Company had no employees during this financial year (2011: none)

3. Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2012 and 31 December 2011 was borne by International Power plc.

The auditor's remuneration is as follows:

	Year ended 31 December 2012 £	Year ended 31 December 2011 £
Auditor's remuneration for the year	6,730	6,730

Audit fees and non-audit fees borne by International Power plc and its subsidiaries are set out in the financial statements of International Power plc for the year ended 31 December 2012 which can be obtained from the address set out in note 16.

4. Income from shares in group undertakings

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Dividend income from shares in group undertakings	149,250	169,127

5. Interest receivable and similar income

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Interest receivable from group undertakings	18,364	48,532
Other interest receivable	3	-
Net foreign exchange gain	-	30
	18,367	48,562

6. Interest payable and similar charges

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Interest payable to group undertakings	2,625	26,122
Unwinding of discount on provisions	20	207
Net foreign exchange loss	1,639	-
	4,284	26,329

Notes to the financial statements  
for the year ended 31 December 2012 (continued)

## 7. Tax (credit)/charge on profit on ordinary activities

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Analysis of (credit)/charge in the year		
UK corporation tax	3,433	5,938
Prior year tax adjustment	(5,024)	-
	<u>(1,591)</u>	<u>5,938</u>
	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
Current tax reconciliation		
Profit on ordinary activities before tax	<u>85,454</u>	<u>191,328</u>
Current tax charge at 24.5% (2011: 26.5%)	20,936	50,701
Income not liable for tax	(37,481)	(44,826)
Expenses not deductible for tax purposes	19,978	63
Prior year tax adjustment	(5,024)	-
Total current tax (credit)/charge	<u>(1,591)</u>	<u>5,938</u>

The current year applicable statutory tax rate of 24.5% represents a weighted average rate based on 26% applicable for the three months to 31 March 2012, and 24% applicable from 1 April 2012.

The prior year applicable statutory tax rate of 26.5% represents a weighted average rate based on 28% applicable for the period to 31 March 2011, and 26% applicable from 1 April 2011.

## 8 Investment in subsidiaries

The Company has the following investment

Name and nature of business	Principal activity	Country of incorporation	Class of shares held	Proportion held
IPM (UK) Power Holdings Limited	Investment holding company	Gibraltar	Ordinary Shares	75%
				£'000
At 1 January 2012				667,476
Additions				<u>89,250</u>
At 31 December 2012				<u>756,726</u>

On 10 December 2012, the Company increased its investment in IPM (UK) Power Holdings by £89,250,000.

As at 31 December 2012 and 31 December 2011, the Directors are of the opinion that the recoverable amount of the investment is not less than its book value.

*Results of subsidiaries*

The profit of IPM (UK) Power Holdings Limited for the year ended 31 December 2012 was £197,281,000 (2011: profit £226,770,000) and its net assets at 31 December 2012 were £1,229,404,000 (2011: £1,112,123,000).

Notes to the financial statements  
for the year ended 31 December 2012 (continued)

9. Debtors: amounts falling due within one year

	31 December 2012 £'000	31 December 2011 £'000
Amounts due from group undertakings-interest	600	63,804
Amounts due from group undertakings-loan	416,263	1,176,290
	<u>416,863</u>	<u>1,240,094</u>

10. Creditors: amounts falling due within one year

	31 December 2012 £'000	31 December 2011 £'000
Amounts due to group undertakings-interest	56	92,723
Amounts due to group undertakings-loan	69,562	587,168
Corporation tax	13,180	14,771
	<u>82,798</u>	<u>694,662</u>

Amounts due to group undertakings are repayable on demand and accrue interest at Libor plus 1.8%

11. Provisions for liabilities

	31 December 2012 £'000	31 December 2011 £'000
At 1 January	5,207	7,502
Provided during the year	-	32
Reversal of provision	(3,646)	-
Provision utilised during the year	(1,494)	(2,391)
Unwinding of discount	20	207
Exchange differences	(87)	(143)
At 31 December	<u>-</u>	<u>5,207</u>

During the year the Company was a lender guarantor under a loan agreement with Repuzew BV (the borrower), a subsidiary company of Mitsui & Co, Ltd, the terms of which obliged the Company to make an indemnity payment to Repuzew BV in the event that additional funding was required by PT Paiton Energy, a company which owns and operates a power station in Indonesia. On 7 February 2012, the Company was released from its obligation to provide any additional funding under the afore-mentioned loan agreement. See note 12 for further details.

12. Paiton Loan Agreement

On 7 February 2012, International Power plc and Mitsui & Co, Ltd equalised their holding in PT Paiton Energy such that Mitsui & Co, Ltd exercised their put option pursuant to a loan agreement with Repuzew BV. On exercise of the put option, the Company assumed the obligations of Repuzew BV to IP No 2 Trust under the loan agreement for a payment, made by Repuzew BV, of the option price of the US dollar equivalent of £50,000,000, which equates to the original loan amount of US\$98,655,000 (£62,278,265). On 22 February 2012 the Company agreed to pay IP No 2 Trust £143,803,262 to release the Company from the obligations under the afore-mentioned loans resulting in a loss of £81,524,997.

Notes to the financial statements  
for the year ended 31 December 2012 (continued)

## 13. Called up share capital

	31 December 2012 £'000	31 December 2011 £'000
<b>Allotted, called up and fully paid</b>		
110,002 ordinary shares of £1 each (2011 110,000 ordinary shares)	110	110

On 10 December 2012, the Board resolved to issue and allot 2 new ordinary shares of £1 each to the sole shareholder for a premium of £50,999,998. This represents an aggregate subscription price of £51,000,000.

## 14. Capital and reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2012	110	451,184	756,445	1,207,739
Issue of shares	-	51,000	-	51,000
Profit for the financial year	-	-	87,045	87,045
Dividends	-	-	(247,252)	(247,252)
<b>Balance as at 31 December 2012</b>	<b>110</b>	<b>502,184</b>	<b>596,238</b>	<b>1,098,532</b>

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2011	110	451,184	571,055	1,022,349
Profit for the financial year	-	-	185,390	185,390
<b>Balance as at 31 December 2011</b>	<b>110</b>	<b>451,184</b>	<b>756,445</b>	<b>1,207,739</b>

## 15. Related party disclosure

As at 31 December 2012 and 31 December 2011, the Company was a wholly owned subsidiary of International Power Consolidated Holdings Limited, which was controlled by GDF SUEZ S A.

At 31 December 2011, through its 70% ownership of International Power plc, GDF SUEZ S A indirectly owned 70% of the share capital of the Company.

At 31 December 2012, through its 100% ownership of International Power plc, GDF SUEZ S A indirectly owned 100% of the share capital of the Company.

For the year ended 31 December 2012 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 GDF SUEZ S A.

For the year ended 31 December 2011 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.

Notes to the financial statements  
for the year ended 31 December 2012 (continued)

15 Related party disclosure (continued)

During the year transactions and balances with related parties that are not wholly owned by GDF SUEZ S A in 2012 (International Power plc in 2011) were as follows

	Year ended 31 December 2012 £'000	Year ended 31 December 2011 £'000
<b>Dividend income from investments</b>		
IPM (UK) Power Holdings Limited	149,250	169,127
<b>Interest income on loans advanced by the Company:</b>		
IPM (UK) Power Holdings Limited	17,426	16,747
Rugeley Power Limited	100	-
	17,526	16,747
<b>Interest payable on loans advanced to the Company:</b>		
IPM (UK) Power Holdings Limited	-	(2,016)
<b>Loans (including interest) advanced to/(repaid by) the Company:</b>		
IPM (UK) Power Holdings Limited	(17,510)	(82,875)
Rugeley Power Limited	51,000	-
	33,490	(82,875)
	<b>As at 31 December 2012 £'000</b>	<b>As at 31 December 2011 £'000</b>
<b>Amounts owed to the Company:</b>		
IPM (UK) Power Holdings Limited	365,763	365,847
Rugeley Power Limited	51,100	-
	416,863	365,847

16. Controlling party and ultimate parent undertaking

The Company's immediate parent undertaking is International Power Consolidated Holdings Limited, the registered address of which is Senator House, 85 Queen Victoria Street, London EC4V 4DP, United Kingdom

The Directors consider the Company's ultimate parent undertaking and controlling party to be GDF SUEZ S A which was incorporated in France and is headquartered in Paris, France which is the parent undertaking of the largest group in which the results of the Company are consolidated for the year ended 31 December 2012 and the year ended 31 December 2011. The consolidated financial statements of GDF SUEZ S A may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France

The smallest group in which the results of the Company were consolidated for the year ended 31 December 2012 is that of which GDF SUEZ S A is the parent company and for the year ended 31 December 2011 was that headed by International Power plc, incorporated in the United Kingdom. The consolidated financial statements of International Power plc for the year ended 31 December 2011 may be obtained by calling or writing to International Power Ltd, Senator House, 85 Queen Victoria Street, London EC4V 4DP or by sending an email to [bei.externalcomms@gdfsuez.com](mailto:bei.externalcomms@gdfsuez.com), telephone +44 (0)20 7320 8600

17 Subsequent events

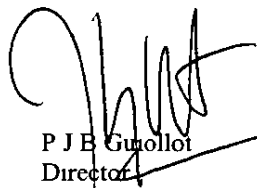
There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements

**Statement by the Directors pursuant to Section 174 of the Gibraltar Companies Act**

The aggregate profits and losses in the accounts of the subsidiary companies have been carried forward in those accounts and not brought into the accounts of the holding company



G R York  
Director



P J B Guilloit  
Director

18 November 2013