

**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**  
**FOR**  
**CASCADE HYDRO LIMITED**



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**for the year ended 31st December 2013**

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**CASCADE HYDRO LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31st December 2013**

**DIRECTORS:**

P R S Earl  
A J S Morris  
B Rowbotham  
Mrs E R Shaw

**SECRETARY:**

Ms M J Bravo Quiterio

**REGISTERED OFFICE:**

Prince Consort House  
27-29 Albert Embank,ent  
London  
SE1 7TJ

**REGISTERED NUMBER:**

07640689 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Grant Thornton House  
Euston Square  
London  
NW1 2EP

**REPORT OF THE DIRECTORS  
for the year ended 31st December 2013**

The directors present their report with the financial statements of the company for the year ended 31st December 2013.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of acting as a holding company for power generation interests in Peru.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2013 to the date of this report.

P R S Earl  
B Rowbotham

Other changes in directors holding office are as follows:

A J S Morris - appointed 1st November 2013  
Mrs E R Shaw - appointed 8th October 2013

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
A J S Morris - Director

Date: 29/09/2014

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**CASCADE HYDRO LIMITED**

We have audited the financial statements of Cascade Hydro Limited for the year ended 31st December 2013 on pages four to nine. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2013 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Christopher Smith  
(Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Grant Thornton House  
Euston Square  
London  
NW1 2EP

Date: 30 September 2014.....

**PROFIT AND LOSS ACCOUNT  
for the year ended 31st December 2013**

	Notes	Year Ended 31.12.13 £	Period 19.5.11 to 31.12.12 £
<b>TURNOVER</b>		-	-
Administrative expenses		<u>71,813</u>	<u>224</u>
		(71,813)	(224)
Other operating income		<u>11,776</u>	<u>-</u>
<b>OPERATING LOSS</b>	3	(60,037)	(224)
Interest receivable and similar income		<u>163,129</u>	<u>-</u>
		103,092	(224)
Interest payable and similar charges	4	<u>31,700</u>	<u>-</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		71,392	(224)
Tax on profit/(loss) on ordinary activities	5	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>71,392</u>	<u>(224)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.


**TOTAL RECOGNISED GAINS AND LOSSES**

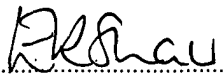
The company has no recognised gains or losses other than the profit for the current year and the loss for the previous period.

**BALANCE SHEET**  
**31st December 2013**

	Notes	31.12.13	31.12.12
		£	£
<b>FIXED ASSETS</b>			
Investments	6	30,001	1
<b>CURRENT ASSETS</b>			
Debtors	7	6,485,426	70,250
Cash at bank		<u>156</u>	<u>29,525</u>
		6,485,582	99,775
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>6,344,415</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>141,167</u>	<u>99,775</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>171,168</u>	<u>99,776</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100,000	100,000
Profit and loss account	10	<u>71,168</u>	<u>(224)</u>
<b>SHAREHOLDERS' FUNDS</b>	14	<u>171,168</u>	<u>99,776</u>

The financial statements were approved by the Board of Directors on 29/09/2014 and were signed on its behalf by:

  
.....  
A J S Morris - Director

  
.....  
Mrs E R Shaw - Director

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31st December 2013**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Preparation of consolidated financial statements**

The financial statements contain information about Cascade Hydro Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Rurelec PLC, a company incorporated in England and Wales.

**Financial reporting standard number 1**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**Compliance with accounting standards**

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

**2. STAFF COSTS**

There were no staff costs for the year ended 31st December 2013 nor for the period ended 31st December 2012.

**3. OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	Year Ended 31.12.13 £	Period 19.5.11 to 31.12.12 £
Foreign exchange differences	<u>(11,693)</u>	<u>-</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year Ended 31.12.13 £	Period 19.5.11 to 31.12.12 £
Other interest expense	<u>31,700</u>	<u>-</u>

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2013 nor for the period ended 31st December 2012.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31st December 2013**

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1st January 2013	1
Additions	<u>30,000</u>
At 31st December 2013	<u>30,001</u>
<b>NET BOOK VALUE</b>	
At 31st December 2013	<u>30,001</u>
At 31st December 2012	<u>1</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**Cascade Hydro Power S.A.C.**

Country of incorporation: Peru

Nature of business: Holding company

	%		
	holding		
Class of shares:			
Ordinary	99.99		
		31.12.13	31.12.12
		£	£
Aggregate capital and reserves		<u>1</u>	<u>1</u>

The company owns 100% of the share capital of Cascade Hydro Power S.A.C., a company incorporated in Peru under registration number 12649544.

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.13	31.12.12
	£	£
Amounts owed by group undertakings	5,733,786	70,250
Other debtors	<u>751,640</u>	<u>-</u>
	<u>6,485,426</u>	<u>70,250</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.13	31.12.12
	£	£
Amounts owed to group undertakings	5,622,715	-
Other creditors	569,950	-
Directors' current accounts	125,000	-
Accruals and deferred income	<u>26,750</u>	<u>-</u>
	<u>6,344,415</u>	<u>-</u>

**9. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	31.12.13	31.12.12	
			£	£	
100,000	Ordinary	1	<u>100,000</u>	<u>100,000</u>	

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2013**

**10. RESERVES**

	Profit and loss account £
At 1st January 2013	(224)
Profit for the year	<u>71,392</u>
At 31st December 2013	<u>71,168</u>

**11. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Rurelec PLC, a company registered in England and Wales under registration number 4812855.

**12. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances from directors subsisted during the year ended 31st December 2013 and the period ended 31st December 2012:

	31.12.13 £	31.12.12 £
<b>A J S Morris</b>		
Balance outstanding at start of year	-	-
Amounts advanced	50,000	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>50,000</u>	<u>-</u>
<b>P R S Earl</b>		
Balance outstanding at start of year	-	-
Amounts advanced	75,000	-
Amounts repaid	-	-
Balance outstanding at end of year	<u>75,000</u>	<u>-</u>

Interest was accrued during the year on directors' loan accounts as follows:

- A J S Morris: £1,500
- P R S Earl: £3,750

**13. RELATED PARTY DISCLOSURES**

As at the year end, an amount of £4,586,960 (2012: £70,250) was due from Cascade Hydro Power S.A.C. (CHP S.A.C.), a wholly owned subsidiary registered in Peru under registration number 205443394379, in respect of a loan and development expenses incurred by the company. During the year, interest of £79,367 was received from CHP S.A.C. in relation to the loan.

As at the year end, an amount of £114,407 was due from Empresa de Generacion Electrica Canchayllo S.A.C. (EGEC S.A.C.), a company registered in Peru under registration number 20545538629, in respect of a loan and development expenses incurred by the company. EGEC S.A.C. is 93% owned by CHP S.A.C. During the year, interest of £5,414 was received from EGEC S.A.C. in relation to the loan.

As at the year end, an amount of £1,032,419 was due from Electricidad Andina S.A. (EA S.A.), a company registered in Peru under registration number 20348922298, in respect of a loan and development expenses incurred by the company. EA S.A. is 99.99% owned by CHP S.A.C. During the year, interest of £78,349 was received from EA S.A. in relation the loan.

As at the year end, an amount of £5,622,715 was due to the parent company, Rurelec.PLC, in respect of a loan.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31st December 2013**

<b>14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>31.12.13</b>	<b>31.12.12</b>
	£	£
Profit/(loss) for the financial year	71,392	(224)
Shares issued	<u>-</u>	<u>100,000</u>
<b>Net addition to shareholders' funds</b>	<b>71,392</b>	<b>99,776</b>
Opening shareholders' funds	<u>99,776</u>	<u>-</u>
<b>Closing shareholders' funds</b>	<b><u>171,168</u></b>	<b><u>99,776</u></b>