

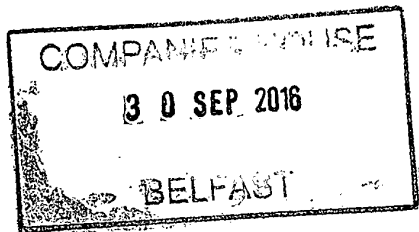
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Company Registration No. 07261857

AES Ballylumford Holdings Limited

Annual Report and Financial Statements

31 December 2015



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AES Ballylumford Holdings Limited

Company Information

DIRECTORS

The following directors were in office during the financial year ended 31 December 2015 and subsequently, except where noted:

Name	Appointed	Resigned
Tihomir Mladenov		6 October 2014
Mark Reynolds	21 May 2010	
Mark Miller		6 October 2014
Mark Green		6 October 2014
Ian Luney	6 October 2014	
Carla Tully	18 February 2015	

COMPANY SECRETARY

Tihomir Mladenov	6 October 2014
Julie Leeburn	10 January 2014

REGISTERED OFFICE

21 St Thomas Street
Bristol
United Kingdom
BS1 6JS

AUDITORS

Ernst & Young LLP
16 Bedford Street
Belfast
BT2 7DT

AES Ballylumford Holdings Limited

Strategic Report

The directors present their strategic report for the year ended 31 December 2015.

Principal activity

The principal activity of the company is that of holding investments in associated undertakings. The company continues to hold an investment in AES Ballylumford Limited, which operates an electricity generating station near Belfast and in AES Barry Operations Limited, a holding company with investments in a power plant in Maritza of the AES Corporation.

Review of the business

There have not been any significant changes in the company's principal activities in the year under review.

Principal risks and uncertainties

The company's activities are exposed to a number of financial risks which the directors considered to be the company's principal risks. The group to which the company belongs has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring the levels of debt finance and related finance costs. The company does not use derivative financial instruments for speculative purposes.

Credit risk

The company's principal financial asset is other receivables. The company has no significant concentration of credit risk, with exposure spread over a large number of related parties.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets are mainly inter-group loans which earn interest at variable rates. The company's interest bearing liabilities are mainly inter-group loans which also bear interest at variable rates. Where appropriate, the company fixes the interest rate on inter-group loans to minimise the interest rate cash flow risk.



By order of the Board

Ian Luney

Director

12/15/2016

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2015.

Results and dividends

The company's profit for the year ended 31 December 2015 after taxation is £2,058,000 (2014: £9,857,000).

The directors paid an interim dividend in the year of £1,152,000 (2014: £11,979,000). The directors do not recommend the payment of a final dividend (2014: £nil).

Directors of the company

The directors of the company who served throughout the year and to the date of these financial statements (except as noted) are given on page 1.

Financial instruments

The company does not have any derivatives at the year end and doesn't apply hedge accounting. Trade debtors and creditors are all on normal commercial terms.

Directors' indemnity

During the year the Company maintained liability insurance for its Directors and officers. The Company indemnifies the directors in its Articles of Association to the extent allowed under the Companies Act 2006. The indemnity provision, which is a qualifying third-party indemnity provision as defined by section 236 of the Companies Act 2006, has been in force throughout the year.

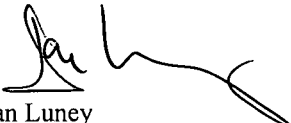
Disclosure of information to auditor

So far as each of the directors in office at the date of approval of these financial statements is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Ian Luney

Director

12/19/2016

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 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 the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, 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 the 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.

The directors confirm that they have complied with these requirements and, having a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements. The company has received letter of support from its parent company – AES UK Holdings Ltd.

Independent Auditor's report to the members of AES Ballylumford Holdings Ltd.

We have audited the financial statements of AES Ballylumford Holdings Limited for the year ended 31 December 2015 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 17. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditor

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 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 Strategic Report and the Directors' Report 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 31 December 2015 and of its profit 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.

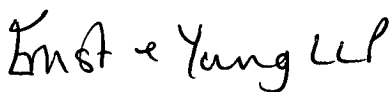
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Ruth Logan (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

2016

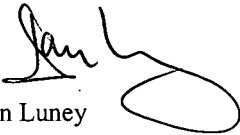
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ES Ballylumford Holdings Limited

Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Revenue		5,018	13,256
Administrative expenses		(17)	(20)
OPERATING PROFIT		5,001	13,236
Interest receivable and similar income	3	1,083	1,074
Interest payable and similar charges	4	(4,488)	(4,925)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,596	9,385
Tax on ordinary activities	5	462	472
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,058	9,857
Other comprehensive income			
Other comprehensive income for the year, net of income tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,058	9,857

All of the results relate to continuing operations in both the current and previous year.

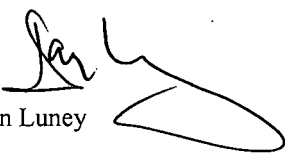

Ian Luney
Director

AES Ballylumford Holdings Limited

**Statement of Financial Position
For the year ended 31 December 2015**

	Notes	2015 £'000	2014 £'000
FIXED ASSETS			
Investments in group undertakings	7	<u>184,686</u>	<u>184,686</u>
		<u>184,686</u>	<u>184,686</u>
CURRENT ASSETS			
Debtors	8	5,937	4,848
CREDITORS: amounts falling due within one year	9	<u>(11,671)</u>	<u>(11,488)</u>
NET CURRENT LIABILITIES		<u>(5,734)</u>	<u>(6,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>178,952</u>	<u>178,046</u>
CREDITORS: amounts falling due after more than one year	10	<u>(73,960)</u>	<u>(73,960)</u>
NET ASSETS		<u>104,992</u>	<u>104,086</u>
CAPITAL AND RESERVES			
Called up share capital	12	-	-
Share premium account		94,818	94,818
Profit and loss account		<u>10,174</u>	<u>9,268</u>
SHAREHOLDER'S FUNDS	14	<u>104,992</u>	<u>104,086</u>

These financial statements were approved by the Board of Directors on 2016.
Signed on behalf of the Board of Directors


 Ian Luney
 Director

AES Ballylumford Holdings Limited

**Statement of Changes in equity
For the year ended 31 December 2015**

	Called up share capital £'000	Share Premium account £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2014	-	94,818	11,390	106,208
Profit for the year	-	-	9,857	9,857
Dividends declared and paid	-	-	(11,979)	(11,979)
	<u>-</u>	<u>94,818</u>	<u>9,268</u>	<u>104,086</u>
Balance at 31 December 2014	-	94,818	9,268	104,086
	<u>-</u>	<u>94,818</u>	<u>9,268</u>	<u>104,086</u>
Balance at 1 January 2015	-	94,818	9,268	104,086
Profit for the year	-	-	2,058	2,058
Dividends declared and paid	-	-	(1,152)	(1,152)
	<u>-</u>	<u>94,818</u>	<u>10,174</u>	<u>104,992</u>
Balance at 31 December 2015	-	94,818	10,174	104,992
	<u>-</u>	<u>94,818</u>	<u>10,174</u>	<u>104,992</u>

**Notes to the financial statement
For year ended 31 December 2015**

ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost accounting rules. The directors consider it appropriate to prepare the accounts on a going concern basis.

Group financial statements

In accordance with Section 400(1) of the Companies Act 2006, consolidated financial statements have not been presented as the company is a wholly owned subsidiary of the AES Corporation, a company incorporated in the state of Delaware, USA and incorporates the financial statements of this company. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. In the transition to FRS 102 from previous UK GAAP, the Company has made no measurement and recognition adjustments. The particular accounting policies adopted are described below and have all been applied consistently throughout both the current and preceding year.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Separate financial instruments – carrying amount of the Company's cost of investment in subsidiaries is its deemed cost at 01 January 2014.

The company is considered to be a qualifying and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes
- Related party transactions; and
- Key Management Personnel compensation.

As the consolidated financial statements of AES Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under previous UK GAAP for derecognition of financial assets and liabilities before the date of transition, accounting estimates or discontinued operations.

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 instrument for a similar debt instrument.

ACCOUNTING POLICIES (CONTINUED)

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.

Impairment financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities are denominated in foreign currencies at balance sheet date are reported at the rate of exchange prevailing at the date.

Revenue

Dividend income from investments is recognised when the shareholders' right to receive the payment is established. As the company is a holding company, dividends received are recognised as Revenue in the financial statements.

Dividends payable

Final dividends are recorded in the financial statements in the year in which they are approved by the company's shareholders. Interim dividends are recorded in the year in which they are approved and paid.

Taxation

Current 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 taxation is provided on 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 group's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in the 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 on an undiscounted basis at the average tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Going concern

On the basis of their assessment of the company's financial position and review of budgets, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statement
For year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of accounts in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the accounts and the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

2. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

The directors received total remuneration for the year of £1,251,510 (2014: £990,397), all of which was paid by various subsidiaries of the AES Corporation. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as employees of other companies within AES Corporation.

The company has no employees (2014: nil).

Auditor's remuneration for the audit of the company's annual financial statements for the current year was £5,750 (2014: £6,300).

3. Revenue

	2015 £'000	2014 £'000
Dividend income	5,018	13,256
	<u>5,018</u>	<u>13,256</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Interest income from group undertakings	1,083	1,074
	<u>1,083</u>	<u>1,074</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Interest payable to group undertakings	4,308	4,270
Interest other	180	655
	<u>4,488</u>	<u>4,925</u>

Notes to the financial statement
For year ended 31 December 2015

6. TAX ON ORDINARY ACTIVITIES

	2015 £'000	2014 £'000
Current tax		
UK corporation tax recoverable on loss for the period	462	487
Adjustments in respect of prior period	-	(15)
	<u>462</u>	<u>472</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax can be reconciled as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	<u>1,596</u>	<u>9,385</u>
Tax charge on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49%)	323	2,017
Effect of:		
Expenses not deductible for tax purposes	233	345
Non-taxable income	(1,016)	(2,849)
Adjustment in respect of prior years	(2)	15
Current tax credit for the period	<u>462</u>	<u>472</u>

A reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2013) and 23% (effective 1 April 2014) were substantially enacted on 26 March 2013 and 3 July 2013 respectively.

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. Any deferred tax balance at 31 December 2015 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and reduce any deferred tax balance accordingly.

7. INVESTMENTS

	Fixed asset investments £'000
Cost and net book value	
At 1 January 2015	<u>184,686</u>
At 31 December 2015	<u>184,686</u>

Name of company	Aggregate of capital and reserve	Profit or loss for the year	Country of incorporation	Class of shares held	Ownership	Nature of business
Subsidiary undertakings:						
<i>Directly owned</i>						
AES Ballylumford Limited £'000	17,606	60,568	Northern Ireland	Ordinary	100%	Electricity generation
AES Barry Operations € '000	123,409	(5,691)	England & Wales	Ordinary	100%	Holding company

Notes to the financial statement
For year ended 31 December 2015

8. DEBTORS

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	3,423	2,334
	<u>3,423</u>	<u>2,334</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	2,514	2,514
	<u>5,937</u>	<u>4,848</u>

Amounts falling due after more than one year represent loans made to subsidiary undertakings. The loans are unsecured, interest bearing and are due for repayment in 2020. Fair value is not considered to be materially different from the carrying amount.

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2015 £000	2014 £000
AES Ballylumford Ltd	GBP	GBP 12m LIBOR plus 3.5%	2020	Repayable at maturity	2,388	2,388
AES Ballylumford Ltd	GBP	GBP 12m LIBOR plus 3.5%	2020	Repayable at maturity	126	126

9. CREDITORS: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	4,821	4,815
Corporation tax	6,018	6,018
Accruals and deferred income	832	655
	<u>11,671</u>	<u>11,488</u>

10. CREDITORS: amounts falling due after more than one year

	2015 £'000	2014 £'000
Loans owed to group undertakings	73,960	73,960

Loans owed to group undertakings represent a loan made from the immediate parent undertaking. The loan is unsecured, interest bearing and is due for repayment in 2020. Fair value is not considered to be materially different from the carrying amount.

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2015 £000	2014 £000
AES Amsterdam Holdings BV	GBP	GBP 12m LIBOR plus 3.5%	2020	No schedule	73,960	73,960

AES Ballylumford Holdings Limited

**Notes to the financial statement
For year ended 31 December 2015**

11. FINANCIAL INSTRUMENTS

The carrying amounts of the financial assets and liabilities include:

	2015	2014
	£000	£000
Assets measured at amortised cost	5,937	4,848
Liabilities measured at amortised cost	85,631	85,488

Details of the assets amounts owed by group undertakings are disclosed in note 8. Details of the liabilities amounts falling due within one year and loans owed by group undertakings are disclosed in notes 9 and 10.

12. CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Called up, allotted and fully paid:		
112 Ordinary shares of £1 each	112	112
	<u>112</u>	<u>112</u>
	<u>112</u>	<u>112</u>

13. DIVIDENDS

	2015	2014
	£'000	£'000
Declared and paid during the year:		
Interim paid – July 2014: £37,500.00 per share	-	4,200
Interim paid – December 2014: £27,505.26 per share	-	3,081
Interim paid – December 2014: £41,964.29 per share	-	4,698
Total	-	11,979
Interim paid – June 2015: £10,285.71 per share	1,152	11,979
Total	1,152	11,979

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2015	2014
	£'000	£'000
Profit for the financial year	2,058	9,857
Dividends paid	(1,152)	(11,979)
Net increase/(decrease) in shareholder's funds	<u>906</u>	<u>(2,122)</u>
Shareholder's funds at 1 January	104,086	106,208
Shareholder's funds at 31 December	<u>104,992</u>	<u>104,086</u>

AES Ballylumford Holdings Limited

**Notes to the financial statement
For year ended 31 December 2015**

15. ULTIMATE PARENT COMPANY

The company is controlled by its immediate parent undertaking, AES UK Holdings Limited, a company incorporated in England and Wales.

The ultimate controlling party is AES Corporation, a company incorporated in the State of Delaware, USA.

The company is a subsidiary undertaking of AES Corporation which is the ultimate parent undertaking.

The largest and smallest group in which the results of the company are controlled is that headed by AES Corporation.

Copies of the parent company's financial statements can be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 20549, USA

16. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

In April 2016, a dividend was received from the company's subsidiary, AES Ballylumford Limited, of £3,613,000. In May 2016, a dividend was received from the company's subsidiary, AES Ballylumford Limited, of £ 957,000. The total dividend received in 2016 from AES Ballylumford Limited is £ 4,570,000.

17. TRANSITION TO FRS 102

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 has been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing its FRS 102 balance sheet, the Company has no material measurement differences in respect of the amounts reported previously in the financial statements prepared in accordance with previous UK GAAP.