

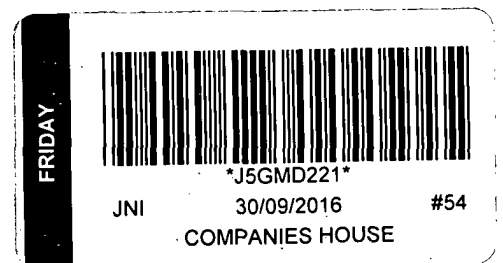
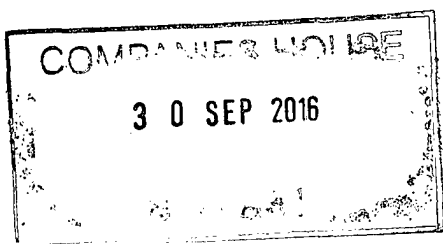
**AES Horizons Investments Limited**

**Annual report**

**for the year ended**

**31 December 2015**

**Registered number: 02676624**



# AES Horizons Investments Limited

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# AES Horizons Investments Limited

## Company information

### Directors

	Resigned	Appointed
Mark Green		03 May 2016
J Nebreda		
Roger Casement		14 July 2014
Ian Luney		14 July 2014

### Registered office

21 St Thomas Street  
Bristol  
United Kingdom  
BS1 6JS

### Solicitors

Arthur Cox  
Capital House  
3 Upper Queen Street  
Belfast  
BT1 6PU

### Bankers

Bank of Ireland  
4 – 8 High Street  
Belfast  
BT1 2BA

Barclays  
Donegall House  
Donegall Square North  
Belfast  
BT1 5GB

### Independent auditors

Ernst & Young LLP  
Bedford House  
16 Bedford Street  
Belfast  
BT2 7DT

# **AES Horizons Investments Limited**

**Registered number: 02676624**

## **Strategic Report**

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

### **Principal activity, trading review and future developments**

The principal activity of the company is that of investment within the group of companies controlled by the AES Corporation. The investments are listed in note 8 to these financial statements.

The directors are not expecting a change in the nature of the principal activity of the company in the foreseeable future.

### **Business review and future developments**

The profit after taxation for the financial year was £ 487,000 (2014: profit after taxation: £16,783,000).

The directors believe that both the level of business and the year-end financial position are satisfactory. However, the level of activity in the following years will be affected by lower dividend income from AES (NI) Limited, partly due to redemption reserve requirements and partly due to the unfavourable decision of Single Electricity Market Committee to reduce the capacity fee by 10% in 2015. The latter change in the regulation affects adversely AES NI's investment in AES Kilroot Power Ltd.

### **Key performance indicators ('KPIs')**

The directors manage the company's operations on a divisional basis. For this reason, the company's directors believe that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business of the company.

### **Environment**

The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

### **Health and safety**

The company is committed to achieving the highest practicable standards in health and safety management and strives to make all sites and offices safe environments.

### **Principal risks and uncertainties**

The company's operations expose it to a variety of financial 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 the related finance costs.

### **Price risk**

The company has no price risk as its income is derived from its investment in associate companies.

### **Credit risk**

The company is not exposed to a significant credit risk as its investment income is derived from a company that is wholly owned within The AES Corporation.

# AES Horizons Investments Limited

## Strategic Report (continue)

### Foreign exchange risk

While the greater part of the company's revenues and expenses are denominated in sterling, the company is exposed to some foreign exchange risk in the normal course of business. The company has a policy of hedging certain foreign exchange transactions over a prescribed minimum size. Cover generally takes the form of a forward purchase of foreign currencies.

### Liquidity risk

The company actively maintains and monitors its bank accounts to ensure that it always has sufficient funds available for its operations.

By order of the Board



Ian Luney

Director

26 September 2016

# AES Horizons Investments Limited

## Directors' report

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

## Results and dividends

The company has received / (paid) the following dividends during 2015 and 2014:

	2015	2014
	£'000	£'000
Interim dividend received	350	16,993
Interim dividend paid	(191)	(18,110)

The directors do not recommend a final dividend payment for the year ended 31 December 2015 (2014: £Nil)

## Directors

The directors who served during the year are shown on page 1.

In accordance with the articles of association, none of the directors are required to retire by rotation.

There were no contracts of significance subsisting during or at the end of the financial year, in which a director of the company was materially interested.

## 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.

## Statement of disclosure of information to auditors

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

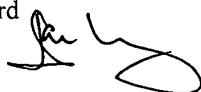
Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

On behalf of the Board

Ian Luney

Director

26 September 2016



# AES Horizons Investments Limited

## Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 those 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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.

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.

# Independent auditor's report to the members of AES Horizons Investments Limited

We have audited the financial statements of AES Horizons Investment 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 16. 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 Annual Report and Financial Statements 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, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; 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.

*Ernst & Young LLP*

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

September 2016

*30/09/2016*



# AES Horizons Investments Limited

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Other operating costs		(93)	(64)
<b>Operating loss</b>		<b>(93)</b>	<b>(64)</b>
Interest receivable and similar income	5	350	17,083
<b>Profit on ordinary activities before taxation</b>	6	<b>257</b>	<b>17,019</b>
Tax on profit on ordinary activities	7	230	(236)
<b>Profit on ordinary activities after taxation</b>		<b>487</b>	<b>16,783</b>
<b>Other comprehensive income</b>			
Impairment of investments		(7,221)	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<b>(6,734)</b>	<b>16,783</b>

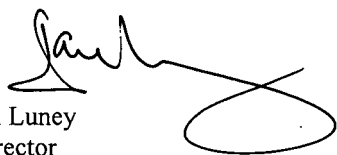
All amounts above relate to continuing operations of the company.

# AES Horizons Investments Limited

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2015

	Notes	2015	2014
		£'000	£'000
<b>Fixed assets</b>			
Investments	8	40,171	47,392
		<u>40,171</u>	<u>47,392</u>
<b>Current assets</b>			
Debtors	9	6,692	7,979
Cash at bank and in hand		135	147
		<u>6,827</u>	<u>8,126</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(635)</u>	<u>(2,231)</u>
<b>Net current assets</b>		<b>6,192</b>	<b>5,895</b>
<b>Total assets less current liabilities</b>		<b>46,363</b>	<b>53,287</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(12,389)</u>	<u>(12,388)</u>
<b>Net assets</b>		<u><b>33,974</b></u>	<u><b>40,899</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	1,000	1,000
Revaluation reserve	16	30,381	37,602
Profit and loss reserve		2,593	2,297
<b>Shareholders' funds</b>		<u><b>33,974</b></u>	<u><b>40,899</b></u>

The financial statements were approved by the board of directors and were signed on its behalf by:



Ian Luney  
Director  
26 September 2016

# AES Horizons Investments Limited

## STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2015

	Called up Share Capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total equity £ 000
<b>Balance at 1 January 2014</b>	3,125	37,602	1 499	42 226
Profit for the year	-	-	16,783	16,783
Capital reduction	(2,125)	-	2,125	-
Dividends paid	-	-	(18,110)	(18,110)
<b>Balance at 31 December 2014</b>	<b>1,000</b>	<b>37,602</b>	<b>2,297</b>	<b>40,899</b>
<b>Balance at 1 January 2015</b>	<b>1,000</b>	<b>37,602</b>	<b>2,297</b>	<b>40,899</b>
Impairment of investments	-	(7,221)	-	(7,221)
Profit for the year	-	-	487	487
Dividends paid	-	-	(191)	(191)
<b>Balance at 31 December 2015</b>	<b>1,000</b>	<b>30,381</b>	<b>2,593</b>	<b>33,974</b>

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements are prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework, “*The Financial Reporting Standard*” applicable in the UK and Republic of Ireland (“FRS 101”). The presentation currency of these financial statements is GBP. All amounts in the financial statements have been rounded to the nearest £1,000. AES Horizons Investment Limited is incorporated and domiciled in England and Wales.

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. In the transition to FRS 101 from previous UK GAAP, the Company has elected to adopt fair value of investments as deemed costs. The transition adjustments made by the Company are discussed in note 16. FRS 101 grants certain first time adoption exemptions from the full requirements of FRS 101. The Company has not applied any exemptions since no items in the current financial statements fall within the allowed by FRS 101 exemptions.

The company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes allowed by FRS 101.8(h);
- Comparative period reconciliations for share capital and tangible fixed assets allowed by FRS 101.8(a);
- Disclosures in respect of transactions with wholly owned subsidiaries allowed by FRS 101.8(k);
- Disclosures in respect of capital management allowed by FRS 101.8(g);
- The effects of new but not yet effective IFRSs allowed by FRS 101.8(i);
- Disclosures in respect of the compensation of Key Management Personnel allowed by FRS 101.8(j).

As the consolidated financial statements of AES Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

IFRS 2 Share Based Payments in respect of group settled share based payments allowed by FRS 101.8(a);

Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets allowed by FRS 101.8(l);

Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations allowed by FRS 101.8(c);

Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company in the current and prior periods including the comparative period reconciliation for goodwill allowed by FRS 101.8(b); and

Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures allowed by FRS 101.8(d) and FRS 101.8(e).

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 101, 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.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of AES Corporation. The results of AES Horizons Investment Limited are included in the consolidated financial statements of AES Corporation which can be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 20549, USA.

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 2. Accounting policies

#### Measurement convention

The financial statements are prepared on the historical cost basis.

#### 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.

#### Dividend income

Dividend income from investments is recognised when the shareholder's right to receive the payment is established.

#### Dividend payable

Final dividends are recorded in the accounts 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

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

#### Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 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.

##### Investments in subsidiaries

Investments in subsidiaries are recognised initially at fair value which is normally the transaction price. Subsequently, they are measured at cost less impairment.

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 2. Accounting policies (continued)

#### *Impairment of investments*

At each balance sheet date, the Company reviews the carrying amount of its investments to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount of such investment is estimated to determine the extent of any impairment loss.

The recoverable amount is the higher of the fair value less costs to sell, and value in use. In assessing the value in use, the estimated future cash flows are discounted to their net 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 investment.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, because the reason for the original impairment has ceased to exist, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been recognized had no impairment loss been recognized for the investment in prior years. A reversal of an impairment loss is recognised immediately in profit.

#### *Reversal of impairment loss*

The impairment loss recognised for investments, shall be reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

The management of the company assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any indication for the reversal exists, the entity shall determine whether all or part of the prior impairment loss should be reversed.

The management of the Company estimate the recoverable amount of the investment at the current reporting date and if the estimated recoverable amount of the investment exceeds its carrying amount, the entity shall increase the carrying amount to recoverable amount, subject to the limitation described below. That increase is a reversal of an impairment loss.

The reversal of an impairment loss shall not increase the carrying amount of the investment above the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

### 3. Directors' emoluments

The directors received total remuneration for the year of £1,980,864 (2014: £1,365,979) all of which was paid by various subsidiaries of The AES Corporation. The directors do not believe that it is practical to apportion this amount between their services as directors of the company and their services as employees of other companies within The AES Corporation.

### 4. Employee information

The company had no employees in the years ended 31 December 2015 and 31 December 2014.

### 5. Interest receivable and similar income

	2015	2014
	£'000	£'000
Interest receivable from related undertakings	-	90
Dividends received from related undertaking	350	16,993
	<b>350</b>	<b>17,083</b>

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 6. Profit on ordinary activities before taxation

	2015	2014
	£'000	£'000
<b>Profit on ordinary activities before taxation is stated after charging:</b>		
Auditors' remuneration - audit services	1	1

### 7. Tax on profit on ordinary activities

	2015	2014
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax at 20.25% (2014: 21.49%)	-	-
Adjustment in respect of previous years	230	(236)
<b>Tax on profit on ordinary activities</b>	<b>230</b>	<b>(236)</b>

The current tax assessed for the year differs from the standard rate of corporation tax in the UK (20.25%) (2014: 21.49%). The differences are explained below:

	2015	2014
	£'000	£'000
<b>Profit on ordinary activities before tax</b>	<b>257</b>	<b>17,019</b>
Profit on ordinary activities multiplied by standard rate in the UK 20.25% (2014: 21.49%)	52	(3,657)
Effects of:		
Income not taxable	78	3,651
Transfer pricing adjustments	-	(24)
Group relief claimed (surrendered) for no consideration	(26)	30
Adjustment in respect of previous years	230	(236)
<b>Tax credit/(charge) for the year</b>	<b>230</b>	<b>(236)</b>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. 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.

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 8. Fixed asset investments

	Subsidiary undertakings
	£'000
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	47,392
<b>Amounts provided</b>	
At 1 January 2015	-
Impairment	7,221
At 31 December 2015	<u>7,221</u>
<b>Net book value:</b>	
At 31 December 2015	<u>47,392</u>
At 31 December 2014	<u>40,171</u>

### Interest in group undertakings

Name of undertaking	Country of incorporation or registration	Description of shares held	Company %	Proportion of nominal value of issued shares held by: Group %
AES (NI) Limited	N Ireland	Ordinary £1 shares	51	99
AES Kilroot Power Limited	N Ireland	Ordinary £1 shares	-	99
AES Belfast West Power Limited	N Ireland	Ordinary £1 shares	-	99
Cloghan Limited	N Ireland	Ordinary £1 shares	50	100
Cloghan Point (Holdings) Limited	N Ireland	Ordinary £1 shares	-	100
Kilroot Electric Limited	Cayman Islands	Ordinary US \$1 shares	-	99
AES Kilroot Generating Limited	N Ireland	Ordinary £1 shares	-	99

The principal business activities of these related undertakings are:

- (i) AES (NI) Limited, AES Kilroot Power Limited - generation of electricity.
- (ii) Kilroot Electric Limited - dormant company. During 2015 the management of the company has decided to strike off Kilroot Electric Limited. The strike off became effective as of 31 March 2016.
- (iii) Cloghan Point (Holdings) Limited – provision of an oil tanker berthing facility and oil storage facility.

Cloghan Limited, AES Kilroot Generating Limited and AES Belfast West Power Limited did not trade during the current year.



# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 9. Debtors

	2015	2014
	£'000	£'000
Amounts owed by parent undertaking	4,266	5,555
Amounts owed by related undertaking	2,373	2,372
Other tax and social security	53	52
	<u>6,692</u>	<u>7,979</u>

Amounts owed by the parent company AES Electric Ltd and related undertaking AES Kilroot Power Ltd are non-interest bearing receivables derived from the normal course of business.

### 10. Creditors: amounts falling due within one year

	2015	2014
	£'000	£'000
Amounts owed to parent undertaking	309	305
Amounts owed to related undertaking	308	1,675
Corporation tax	-	230
Accruals and deferred income	18	21
	<u>635</u>	<u>2,231</u>

Amounts owed by the parent company AES Electric Ltd and related related undertaking AES Big Sky LLC are non-interest bearing payables derived from the normal course of business.

### 11. Creditors: amounts falling due after more than one year

	2015	2014
	£'000	£'000
Amounts owed to immediate parent undertaking	8,941	8,941
Amounts owed to related undertaking	3,448	3,447
	<u>12,389</u>	<u>12,388</u>

The amount of £8,941,000 (2014: £8,941,000) is a non-interest bearing loan to the company's immediate parent undertaking AES Electric Ltd. The amount of £3,448,000 (2014: £3,447,000) is a non-interest bearing loan to the company's ultimate parent undertaking AES Corporation. Both loans are payable on demand and the lenders does not intend to realise them within 12 months of the date of the balance sheet. The fair value is reasonable approximation to the carrying value.

### 12. Called up share capital

	2015	2014
	£'000	£'000
<b>Allotted and fully paid</b>		
1,000,000 (2014: 1,000,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

The Company has granted a fixed charge over its dividends as continuing security for the payment and discharge of secured obligations with the Trustees of the NIGEN pension scheme.

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 13. Dividends

	2015	2014
	£'000	£'000
Dividends declared and paid during the year	191	18,110

### 14. Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2015	2014
	£000	£000
Assets measured at amortised cost	6,692	7,979
Assets measured at cost less impairment	40,171	47,392
Liabilities measured at amortised cost	13,024	14,619

### 15. Ultimate parent company

The immediate parent undertaking and controlling party is AES Electric Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling entity, and parent of the smallest and largest group for which consolidated financial statements are prepared of which this company is a part, is the AES Corporation, a company incorporated in the State of Delaware, USA. 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. Transition to FRS 101

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

In transition to FRS 101 the Company has elected to adopt fair value of investments as deemed cost.

In preparing its FRS 101 Statement of Financial position, the Company has adjusted amounts reported from previous UKGAAP as of 1<sup>st</sup> January 2014.

Below is presented the effect in revaluation reserves from the revaluation of investment in subsidiary:

	Called up Share Capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
<b>Balance at 1 January 2014</b>	3,125		1,499	4,624
Revaluation of investments				
AES NI	-	34,997	-	-
Cloghan Ltd	-	2,605	-	-
<b>Balance at 1 January 2014(updated for transition for FRS 101)</b>	<b>3,125</b>	<b>37,602</b>	<b>1,499</b>	<b>42,226</b>
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	16,783	16,783
Capital reduction	(2,125)	-	2,125	-
Dividends paid			(18,110)	(18,110)
<b>Balance at 31 December 2014</b>	<b>1,000</b>	<b>37,602</b>	<b>172</b>	<b>40,899</b>

# AES Horizons Investments Limited

## Notes to the financial statements for the year ended 31 December 2015

### 16. Transition to FRS 101 (continue)

	1 January 2014			31 December 2014		
	UK GAAP	Effect of transition to FRS 101		UK GAAP	Effect of transition to FRS 101	
		2014	FRS 101		2014	FRS 101
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>						
Investments	12,850	37,602	50,452	9,790	37,602	47,392
	<b>12,850</b>	<b>37,602</b>	<b>50,452</b>	<b>9,790</b>	<b>37,602</b>	<b>47,392</b>
<b>Current assets</b>						
Debtors	7,802	-	7,802	7,979	-	7,979
Cash at bank and in hand	23	-	23	147	-	147
	7,825	-	7,825	8,126	-	8,126
<b>Creditors: amounts falling due within one year</b>	(3,663)	-	(3,663)	(2,231)	-	(2,231)
<b>Net current assets</b>	4,162	-	4,162	5,895	-	5,895
<b>Total assets less current liabilities</b>	17,012	-	54,614	15,685	-	53,287
<b>Creditors: amounts falling due after more than one year</b>	(12,388)	-	(12,388)	(12,388)	-	(12,388)
<b>Net assets</b>	<b>4,624</b>	<b>37,602</b>	<b>42,226</b>	<b>3,297</b>	<b>37,602</b>	<b>40,899</b>
<b>Capital and reserves</b>						
Called up share capital	3,125	-	3,125	1,000	-	1,000
Profit and loss reserve	1,499	-	1,499	2,297	-	2,297
Revaluation reserve	-	37,602	37,602	-	37,602	37,602
<b>Shareholders' funds</b>	<b>4,624</b>	<b>37,602</b>	<b>42,226</b>	<b>3,297</b>	<b>37,602</b>	<b>40,899</b>

#### Notes to the reconciliation of equity

On transition to FRS 101 the company has elected the option allowed under IFRS 1.D15 for FRS 101 to adopt fair value as deemed cost on the date of transition 1 January 2014 for its investment in AES NI Limited and AES Cloghan Ltd. This resulted in a £37,602,000 (AES NI £34,997,000 and AES Cloghan Ltd £2,605,000) increase in the balance sheet figure of investments and a corresponding revaluation reserve in equity.