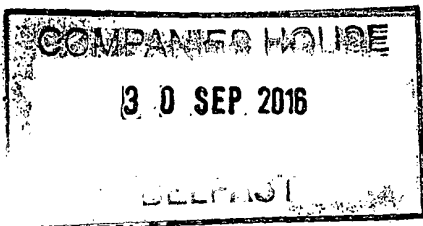


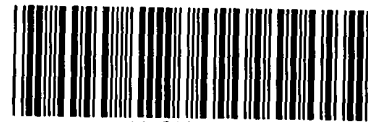
AES UK DATACENTER SERVICES LIMITED

Annual Report and Financial Statements

31 December 2015



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AES UK DATACENTER SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

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AES UK DATACENTER SERVICES LIMITED

COMPANY INFORMATION

Directors

Paul McCusker (resigned on 25 February 2015)
Tihomir Mladenov (resigned on 25 February 2015)
Mark Reynolds (appointed on 25 February 2015)
Roger Casement (appointed on 25 February 2015)

Company Secretary

Tihomir Mladenov (resigned on 25 February 2015)

Registered office

21 St Thomas Street
Bristol
United Kingdom
BS1 6JS

Auditors

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

AES UK DATACENTER SERVICES LIMITED

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 results for 2015 showed a loss after taxation of £233,000 (2014: loss after taxation: £532,000).

The company has not declared any dividends during the year (2014: £nil).

PRINCIPAL ACTIVITY

The principal activity of the company was that of the development and maintenance of the IT facilities which supported all AES companies within the Europe, CIS and Africa regions. The company did not trade during the year but did incur some administrative expenses and foreign exchange losses. The directors do not expect trading activity to occur in the foreseeable future.

No key financial and other performance indicators have been identified for this company.

FINANCIAL RISK MANAGEMENT

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.

Currency risk

The company's activities expose it to the financial risks of changes in foreign currency exchange rates. The company manages this risk by regular monitoring of the foreign currency exchange rates.

Liquidity risk

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

GOING CONCERN

The directors consider it appropriate to prepare the accounts on a going concern basis, since a group undertaking, AES Electric Limited, agreed to provide sufficient finance, whether directly or through one of its subsidiaries to enable the company to meet its liabilities as they fall due for the foreseeable future.

DIRECTORS

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.

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.

SMALL COMPANIES' EXEMPTION

This report has been prepared in accordance with the special provisions of Part 15 Chapter 5 of the Companies Act 2006 relating to small companies.

STRATEGIC REPORT

The directors have not prepared a strategic report as the company is entitled to the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

AES UK DATACENTER SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)


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 on office.

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



Mark Reynolds

Director

26 September 2016

AES UK DATACENTER SERVICES LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK 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 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; and
- 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 UK DATACENTER SERVICES LIMITED

We have audited the financial statements of AES UK Datacenter Services Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11. 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 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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.

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 in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' report.

Ernst & Young LLP

Ruth Logan (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Belfast

Date: 30/09/2016

AES UK DATACENTER SERVICES LIMITED

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

	Notes	2015 £'000	2014 £'000
Administrative expenses		(23)	(74)
Foreign exchange loss		(210)	(234)
Loss on ordinary activities before taxation	2.	(233)	(308)
Tax on loss on ordinary activities	4	-	(224)
Loss on ordinary activities after taxation		(233)	(532)
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(233)	(532)

All amounts above relate to continuing operations in both the current and previous year.

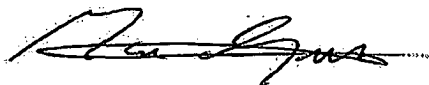
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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	5	-	5
Current assets			
Debtors: amounts falling due within one year	6	688	683
Creditors: amounts falling due within one year	7	(15,161)	(14,928)
Net current liabilities		(14,473)	(14,245)
Total assets less current liabilities		(14,473)	(14,240)
Net liabilities		(14,473)	(14,240)
Capital and reserves			
Called up share capital	9	1,000	1,000
Share premium		2,641	2,641
Profit and loss account		(18,114)	(17,881)
Shareholders' deficit		(14,473)	(14,240)

These financial statements were approved by the Board of Directors on 26 September 2016.

Signed on behalf of the Board of Directors



Mark Reynolds

AES UK DATACENTER SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2015**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2014	1,000	2,641	(17,349)	(13,708)
Loss for the year	-	-	(532)	(532)
At 31 December 2014	1,000	2,641	(17,881)	(14,240)
At 1 January 2015	1,000	2,641	(17,881)	(14,240)
Loss for the year	-	-	(233)	(233)
Balance at 31 December 2015	1,000	2,641	(18,114)	(14,473)

AES UK DATACENTER SERVICES LIMITED

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

1 Accounting policies

AES UK Datacenter Services Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from previous UK GAAP, the Company has made presentation adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Company is provided in note 11.

The Company's ultimate parent undertaking, The AES Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of The AES Corporation are prepared in accordance with generally accepted accounting principles adopted by the U.S. Securities and Exchange Commission and are available to the public and may be obtained from the Securities and Exchange Commission, 450 5th Street NW, Washington DC 20549, USA.

In these financial statements, the company is considered to be a qualifying entity for the purposes of FRS 102 and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes, required by FRS 102.7; and
- A reconciliation of the number of shares outstanding at the beginning and at the end of the period required by FRS 102.4.12;
- Related party transactions required by FRS 102.33.5, and
- Key Management Personnel compensation required by FRS 102.33.6

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

- Certain disclosures required by Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23,
- The disclosures required by Section 11 *Basic Financial Instruments*, paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 *Other Financial Instrument Issues*, paragraphs 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A 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 de-recognition of financial assets and liabilities before the date of transition.

1.1 Measurement convention

The directors consider it appropriate to prepare the accounts on a going concern basis, since a group undertaking, AES Electric Limited, agreed to provide sufficient finance, whether directly or through one of its subsidiaries to enable the company to meet its liabilities as they fall due for the foreseeable future.

1.2 Going concern

The directors consider it appropriate to prepare the accounts on a going concern basis, since a group undertaking, AES Electric Limited, agreed to provide sufficient finance, whether directly or through one of its subsidiaries to enable the company to meet its liabilities as they fall due for the foreseeable future.

1.3 Intangible fixed assets

Amortisation is provided in equal annual instalments over the estimated useful lives of the assets. The estimated useful lives are:

Computer equipment	3 years
Software	7 years

When assets are sold or retired, their costs and accumulated amortisation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

AES UK DATACENTER SERVICES LIMITED

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

1 Accounting policies (continued)

1.4 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.

1.5 Administrative expenses

Administrative expenses and similar charges are recognised in the Profit and Loss Account as the service is received.

1.6 Foreign currency

Transactions expressed in foreign currencies are translated into sterling at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the period end.

1.7 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

1.8 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 Loss on ordinary activities before taxation

	2015	2014
	£'000	£'000
Loss on ordinary activities before taxation after charging:		
Amortisation – owned assets (note 5)	5	53
Foreign exchange loss	210	234
Auditors remuneration	10	11

3 Information regarding directors and employees

The company has no employees (2014: nil).

The directors received total remuneration for the year of £601,284 (2014: £322,738), 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.

AES UK DATACENTER SERVICES LIMITED

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

4 Tax on loss on ordinary activities

No current tax has been recognized in profit and loss, other comprehensive income or directly in equity for 2015 (2014: £nil).

Deferred tax

	2015 £'000	2014 £'000
Origination and reversal of timing differences	-	(224)
Total deferred tax credit	-	(224)
Total tax credit	-	(224)

The difference between the total tax recognised in the profit and loss and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £'000	2014 £'000
Loss before taxation	(233)	(308)
Tax credit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.49%)	47	66
Effect of:		
(Expenses not deductible for tax purposes)/income not taxable	(1)	242
Tax adjustments, relief and adjustments	(3)	(17)
Group relief	(43)	(291)
Total tax for the period	-	-

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.

A deferred tax asset has not been recognised in respect of capital losses due to uncertainty regarding its recovery. The amount of the deferred tax asset not recognised is £27,147,000 (2014: £30,160,000). The assets would only be recovered to the extent that the company makes suitable taxable profits in the future.

AES UK DATACENTER SERVICES LIMITED

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

5 Fixed assets

	Computer equipment £'000	Software £'000	Total £'000
Cost:			
At 1 January 2015 and 31 December 2015	1,866	358	2,224
Accumulated depreciation and amortization:			
At 1 January 2015	1,866	353	2,219
Charge for the year	-	5	5
At 31 December 2015	<u>1,866</u>	<u>358</u>	<u>2,224</u>
Net book value:			
At 31 December 2015	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2014	<u>-</u>	<u>5</u>	<u>5</u>

6 Debtors: amounts falling due within one year

	2015 £'000	2014 £'000
Receivable from AES Electric Limited	<u>688</u>	<u>683</u>

7 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	15,142	14,904
Accruals	<u>19</u>	<u>24</u>
	<u>15,161</u>	<u>14,928</u>

Amounts owed to group undertakings are interest free and repayable on demand.

AES UK DATACENTER SERVICES LIMITED

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

8 Financial instruments

The carrying amounts of the financial assets and liabilities include:

	2015 £'000	2014 £'000
Assets measured at amortised cost		
<i>Debtors falling due within one year:</i>		
Amounts owed by fellow subsidiaries	<u>688</u>	<u>683</u>
Total	<u>688</u>	<u>683</u>
Liabilities measured at amortised cost		
<i>Creditors falling due within one year:</i>		
Amounts owed to fellow subsidiaries:	15,142	14,904
Accruals	<u>19</u>	<u>24</u>
Total	<u>15,161</u>	<u>14,928</u>
Net	<u>(14,473)</u>	<u>(14,245)</u>

9 Called up share capital

	2015 £'000	2014 £'000
Called up, allotted and fully paid:		
1,000,007 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

No shares have been allotted to the parent company since the beginning of the reporting period.

10 Ultimate parent company

The company is controlled by its immediate parent undertaking, AES Drax Financing Inc, a company incorporated in the State of Delaware, USA.

The ultimate parent 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 consolidated 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.

AES UK DATACENTER SERVICES LIMITED

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

11. Transition to FRS 102

An explanation of how the transition from UK GAAP to FRS 102 has affected the company's financial position and financial performance is set out in the following table and accompanying notes.

	Note	1 January 2014			31 December 2014		
		UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000	UK GAAP £'000	Effect of transition to FRS 102 £'000	FRS 102 £'000
Fixed assets							
Tangible assets	a)	58	(58)	-	5	(5)	-
Intangible assets	a)	-	58	58	-	5	5
Current assets							
Debtors: amounts falling due within one year	b)	224	683	907	-	683	683
Creditors: amounts falling due within one year	c)	(19)	(14,654)	(14,673)	(24)	(14,904)	(14,928)
Net current assets/(liabilities)		<u>205</u>	<u>(13,971)</u>	<u>(13,766)</u>	<u>(24)</u>	<u>(14,221)</u>	<u>(14,245)</u>
Total assets less current liabilities		<u>263</u>	<u>(13,973)</u>	<u>(13,708)</u>	<u>(19)</u>	<u>(14,221)</u>	<u>(14,240)</u>
Creditors: amounts falling due after more than one year	c)	(13,971)	13,971	-	(14,221)	14,221	-
Net liabilities		<u>(13,708)</u>	<u>-</u>	<u>(13,708)</u>	<u>(14,240)</u>	<u>-</u>	<u>(14,240)</u>
Capital and reserves							
Called up share capital		1,000	-	1,000	1,000	-	1,000
Share premium		2,641	-	2,641	2,641	-	2,641
Profit and loss account		(17,349)	-	(17,349)	(17,881)	-	(17,881)
Total shareholders' deficit		<u>(13,708)</u>	<u>-</u>	<u>(13,708)</u>	<u>(14,240)</u>	<u>-</u>	<u>(14,240)</u>

- On transition to FRS 102 tangible assets have been reclassified to intangible assets.
- Amounts payable to AES Electric Limited have been shown net of amounts receivable from AES Electric Limited in 2013 and 2014 accounts. On transition to FRS 102 receivable balances have been shown separately as there is no legal right to offset the transactions.
- On transition to FRS 102 non-interest bearing intercompany balances owed to AES Corporations and AES Electric Limited have been moved from long term to short term liabilities because they have no fixed repayment date and are repayable on demand.