APR Energy plc

Unaudited Interim Financial Statements for the Company

for the 4 month period ended 30 April 2014

Company number: 07062201

Statement of Comprehensive Income
For the 4 months ended 30 April 2014

These interim financial statements are prepared solely for the purposes of Sections 836 and 838 of the Companies Act 2006 They are abridged and unaudited.

	4 months ended 30 April 2014 $m	12 months ended 31 December 2013 $m
Dividend income	15.0	20.0
Selling, general and administrative expenses	(1.6)	(3.8)
Operating profit	13.4	16.2
Foreign exchange loss	-	(0.3)
Profit before taxation	13.4	15.9
Taxation	-	-
Profit for the period	13.4	15.9
Total comprehensive profit for the period	13.4	15.9

Statement of Financial Position
As at 30 April 2014

These interim financial statements are prepared solely for the purposes of Sections 836 and 838 of the Companies Act 2006 They are abridged and unaudited

	Note	30 April 2014 $m	31 December 2013 $m
Assets			
Non-current assets			
Investments	5	1,204 5	1,204 5
Trade and other receivables	6	284 5	269.2
Total non-current assets		1,489.0	1,473.7
Current assets			
Trade and other receivables	6	0 1	0 4
Cash and cash equivalents		-	-
Total current assets		0.1	0.4
Total assets		1,489.1	1,474.1
Liabilities			
Current liabilities			
Trade and other payables	7	1 1	1 1
Total current liabilities		1.1	1.1
Total liabilities		1.1	1.1
Equity			
Share capital	8	15.2	15 2
Share premium		674 9	674 9
Other reserves	9	770 0	770 0
Equity reserves		8 5	6 9
Retained earnings		19 4	6 0
Total equity		1,488 0	1,473 0
Total liabilities and equity		1,489.1	1,474.1

These interim financial statements of the Company, registered number 07062201, were approved by the Board of Directors on 20 May 2014

Signed on behalf of the Board of Directors by

John Campion
Chief Executive Officer

Statement of Changes in Equity
For the 4 months ended 30 April 2014

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	Share capital $m	Share premium $m	Other reserves $m	Equity reserves $m	Retained earnings $m	Total $m
Balance at 31 December 2012	**12.6**	**668.1**	**485.9**	**4.5**	**1.0**	**1,172.1**
Profit for the year	-	-	-	-	15 9	15 9
Total comprehensive profit for the year	-	-	-	-	**15.9**	**15.9**
Acquisition of subsidiaries	2 5	-	284 1	-	-	286 6
Exercise of equity-settled share-based payments	0 1	6 8	-	(2 0)	2 0	6 9
Credit to equity for equity-settled share-based payment expense	-	-	-	4 4	-	4 4
Dividends	-	-	-	-	(12 9)	(12 9)
Balance at 31 December 2013	**15.2**	**674.9**	**770.0**	**6.9**	**6.0**	**1,472.9**
Profit for the period	-	-	-	-	13 4	13 4
Total comprehensive profit for the period	-	-	-	-	**13.4**	**13.4**
Credit to equity for equity-settled share-based payment expense	-	-	-	1 6	-	1 6
Balance at 30 April 2014	**15.2**	**674.9**	**770.0**	**8.5**	**19.4**	**1,488 0**

Cash Flow Statement
For the 4 months ended 30 April 2014

These interim financial statements are prepared solely for the purposes of Sections 836 and 838 of the Companies Act 2006 They are abridged and unaudited.

	4 months ended 30 April 2014 $m	12 months ended 31 December 2013 $m
Cash flows from operating activities		
Profit for the period before taxation	13 4	15 9
Adjustments for		
Equity-settled share-based payment expense	0.2	0 4
Movements in working capital		
(Increase)/decrease in trade and other receivables	(13 6)	18 5
Decrease in trade and other payables	-	(28 8)
	-	5.9
Cash flows from financing activities		
Dividends paid	-	(12 9)
Proceeds from the issue of ordinary shares	-	5 1
Net cash used in financing activities	-	(7.8)
Net decrease in cash and cash equivalents	-	(1 8)
Cash and cash equivalents at beginning of the period	-	1 8
Cash and cash equivalents at end of the period	-	-

Notes to the Interim Financial Statements
For the 4 months ended 30 April 2014

1 General information

APR Energy plc (the "Company"), is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 54 Baker Street, London W1U 7BU.

2 Significant accounting policies

Basis of preparation

The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) The interim financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the interim financial statements comply with Article 4 of the EU IAS regulation

The interim financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets

These interim financial statements do not constitute statutory accounts within the meaning of sections 434(3) of the Companies Act 2006 Statutory accounts for the year ended 31 December 2013 were published in APR Energy's Annual Report and delivered to the Registrar of Companies in England and Wales. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain any statement under sections 498(2) or (3) of the Companies Act 2006. No statutory accounts have been delivered to the Registrar of Companies in England and Wales in respect of the period covered by these interim financial statements

These interim financial statements are prepared solely for the purpose of determining the adequacy of distributable reserves prior to the payment of a dividend in accordance with Sections 836 and 838 of the Companies Act 2006 They are abridged and unaudited.

Use of estimates

The preparation of interim financial statements is in conformity with IFRS. IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial statements are disclosed in note 3

Going concern

The Directors have, at the time of approving the interim financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the interim financial statements

Provision for income taxes

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the UK where the Company operates, generates taxable income and is subject to tax under local country tax law

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities

Taxable profit differs from net profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the interim financial statements Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income

Foreign currencies

The interim financial statements are presented in the currency of the primary economic environment in which it operates (its functional currency).

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Impairment

Financial assets
The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated

Trade and other receivables are considered past due if any portion of an account has not been paid in full within the contractual terms of the account The Company assesses its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the financial stability, recent payment history of the customer, and other pertinent factors related to the creditworthiness of the customer The allowance for doubtful accounts includes specific amounts for those accounts that are deemed likely to be uncollectible Upon permanent impairment, the trade receivable is written off against the allowance for doubtful accounts

Financial instruments

The Company classifies its financial assets and financial liabilities into the following categories: fair value through profit or loss and loans and receivables for financial assets and fair value through profit and loss and other financial liabilities for financial liabilities The classification depends on the purpose for which the financial instruments were acquired

Notes to the Interim Financial Statements
For the 4 months ended 30 April 2014

Management determines the classification of its financial instruments at initial recognition

Effective interest method
The effective interest method is a method of calculating the finance income generated by a financial asset and the amortised cost of a financial liability including allocating interest expense over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the net carrying amount on initial recognition

Loans and receivables
Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets The Company's loans and receivables are recorded as deposits and trade and other receivables in the statement of financial position

Trade and other receivables are measured at amortised cost using the effective interest rate method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

Cash and cash equivalents
Cash and cash equivalents consist of cash and highly liquid investments that can be readily converted into cash or that have an original maturity of three months or less.

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers Accounts payable are classified as current liabilities if payment is due within one year or less.

Trade and other payables are recognised initially at fair value and subsequently measured at their amortised cost using the effective interest rate method.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Costs of equity transactions

Incremental costs that are attributable directly to issuing equity instruments of the Company are recognised in equity, net of any tax effects Other costs not directly attributable to the issuing of equity instruments are recognised in the statement of comprehensive income

Share-based payments

In accordance with IFRS2, share-based payment arrangements in which the Company receives goods or services as consideration for APR Energy plc equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions

Notes to the Interim Financial Statements
For the 4 months ended 30 April 2014

The fair value determined at the grant date of the equity-settled share-based payments to employees is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based conditions The impact of the revision of the original estimates, if any, is recognised in total comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Share-based payments incurred on behalf of Group companies are recharged accordingly

Investments

Investments in subsidiary undertakings are stated in the balance sheet of the Company at cost, or nominal value of the shares issued as consideration as applicable, less any provision for any impairment in value

Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the interim financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Critical accounting estimates and judgements

In the application of the significant accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an on-going basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods

Critical accounting estimates and assumptions

There are no key assumptions concerning the future, or other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations discussed above, that management made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the interim financial statements

Impairment of investment asset

Determining whether the investment asset is impaired requires an estimation of the value in use of the underlying investments The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investments and a suitable discount rate in order to calculate present value No impairments were recorded in the periods presented

4 Risk management policies

The Company's activities give rise to a number of financial risks, particularly market risk comprised of foreign exchange, credit risk, liquidity risk, and capital risk management

Market risk

Market risk includes foreign exchange risk. The Company seeks to manage these risks to acceptable levels by

Notes to the Interim Financial Statements
For the 4 months ended 30 April 2014

maintaining appropriate policies and procedures.

Foreign exchange risk
The Company has an exposure to transactional foreign exchange from purchases or sales in currencies other than US dollars In order to minimise exposure to foreign exchange risk, the Company primarily contracts in US dollars or in contracts with a price based on US dollars at the date of transaction or payment if possible

Credit risk
Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as exposures to outstanding receivables from external parties. Due to the nature of the Company's business management do not believe there is a significant credit risk to the Company

Liquidity risk
Liquidity risk results from insufficient funding being available to meet the Company's funding requirements as they arise. The Company manages liquidity risk by maintaining adequate reserves of cash and available committed facilities in subsidiaries for short and long-term funding requirements The Company monitors the short-term forecast and actual cash flows on a daily basis and medium and long-term requirements in line with the Company's long-term planning processes

Capital risk management
The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for its equity holders and to maintain an optimal capital structure to reduce the cost of capital

The Company is funded through a mixture of equity and debt financing through subsidiaries

The Company reviews the capital structure on a semi-annual basis. As part of this review, the Company considers the cost of capital and the risk associated with each class of capital.

5 Investments

	2014 $m	2013 $m
Opening	1,204 5	1,204 5
Balance at 30 April / 31 December	**1,204.5**	**1,204.5**

Notes to the Interim Financial Statements
For the 4 months ended 30 April 2014

6 Trade and other receivables

	30 April 2014 $m	31 December 2013 $m
Non-current		
Amounts due from subsidianes	284 5	269.2
Current		
Other debtors	0 1	0 4
	284.6	269.6

In determining the recoverability of trade and other receivables the Company considers any change in the credit quality of the trade receivable from the date credit was granted up to the reporting date Credit risk is limited due to substantially all the balance being amounts due from subsidiaries Accordingly the Directors believe there is no credit provision required, and no classes of receivable contain impaired assets

Amounts due from subsidiaries are repayable on demand and are interest free These amounts are shown as non-current as these balances are not expected to be repaid within twelve months of the balance sheet date. The carrying value of receivables is considered to represent their fair value.

7 Trade and other payables

	30 April 2014 $m	31 December 2013 $m
Trade payables	0 6	0 5
Accrued expenses	0 5	0 6
	1.1	1.1

Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs, as well as amounts due to subsidiaries Amounts due to subsidiaries are repayable on demand and are interest free

The Directors consider that the carrying amounts of trade and other payables are approximate to their fair values.

8 Share capital

	30 April 2014 $m	30 April 2014 Number	31 December 2013 $m	31 December 2013 Number
Allotted, called up and fully paid				
Ordinary shares of 10p each	15 2	94,251,622	15 2	94,251,622

	Ordinary shares Number
Outstanding shares at 31 December 2012	**78,235,164**
Acquisition of subsidiaries	15,453,129
Exercise of equity-settled share-based payment	563,329
Outstanding shares at 31 December 2013 and 30 April 2014	**94,251,622**

9 Other reserves

	Merger reserve $m	Capital redemption reserve $m	Total $m
Balance at 31 December 2012	**485.8**	**0.1**	**485.9**
Acquisition of subsidiaries	284 1	-	284 1
Balance at 31 December 2013 and 30 April 2014	769.9	**0.1**	**770.0**

The merger reserve was created on the issuance of ordinary shares as a result of the APR Group acquisition in 2011 and the GE Power Rental Business acquisition in 2013, and the capital redemption reserve was created on the redemption of the deferred shares in 2012. Neither of these reserves are considered distributable

10 Related party disclosures

There have been no transactions with related parties during either period besides the intercompany transactions, which are detailed in note 6