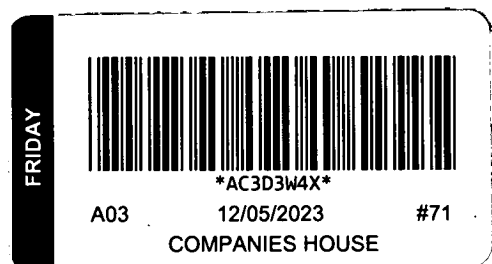


National Power Australia Investments Limited

Company No: 02782480

Annual report and financial statements

For the year ended 31 December 2022



National Power Australia Investments Limited
Index to the financial statements

Company No: 02782480

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National Power Australia Investments Limited**Company No: 02782480****Strategic report**

The directors present the Strategic report of National Power Australia Investments Limited (*the Company*) for the year ended 31 December 2022.

Principal activities

The Company is an investment holding company.

Business review

The results of the Company are as follows:

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Loss for the financial year	(34,476)	(52,572)

As shown in the income statement on page 12, the loss for the year ended 31 December 2022 has decreased in comparison to the prior year due to fewer contributions required during 2022 to fund station and mine rehabilitation at Hazelwood Power Partnership (HPP) which are all subsequently impaired (refer Note 5 to the financial statements).

The statement of financial position on page 13 of the financial statements shows the Company's financial position at year end of the current and preceding year. The net liabilities remain unchanged at A\$nil from 31 December 2021 to 31 December 2022.

The directors do not monitor the performance of the Company through the use of key performance indicators (KPIs). The ENGIE group manages its business and measures the delivery of its strategic objectives through the application of KPIs at both an ENGIE division and group level.

Hazelwood mine fire

The Hazelwood coal mine was impacted by a fire which broke out in a number of locations on 9 February 2014 as a consequence of spotting from adjacent bushfire activity. The fire took hold in the mine and took approximately 45 days to be brought under control. The Hazelwood Power Partnership (*Hazelwood*), of which the Company is a partner, worked with authorities including the Country Fire Authority (CFA) and Metropolitan Fire Brigade (MFB) to extinguish the fire.

In 2016 WorkSafe Victoria and Environment Protection Authority Victoria ("EPA") each commenced separate proceedings against Hazelwood in relation to the mine fire, resulting in Hazelwood Power Partnership and Hazelwood Power Corporation paying \$1,560,000 in respect of the WorkSafe Victoria proceedings and \$380,000 in respect of the EPA proceedings (in the aggregate).

On 7 February 2020, the CFA commenced legal proceedings against Hazelwood to recover costs alleged to have been incurred by the CFA in respect of the mine fire pursuant to the Country Fire Authority Regulations 2004 (Vic). Hazelwood continues to contest and vigorously defend this claim.

National Power Australia Investments Limited**Company No: 02782480****Strategic report***Investments in group undertakings*

On 14 September 2018, the following events occurred which have impacted the Company's investments in subsidiary companies:

- Hazelwood Churchill Pty Ltd transferred 0.06% of its interest in HPP leaving the Company with 52% direct ownership; and
- The Company transferred 100% of the shares in Australian Power Partners BV to International Power Limited (IPL) for nominal consideration and, with this, an indirect interest of 20% in HPP.

In addition to the events above, HPP entered into a new funding commitment arrangement ("New Funding Commitment Deed") with IPL. The agreement enables HPP to meet its obligations with regards to its closure and rehabilitation, including funding of employee redundancy payments and accrued leave entitlements.

The Company has allotted share capital to IPL with the funding provided to HPP, per the arrangement above, as consideration on a periodic basis. The following share capital allotments occurred during the year ended 31 December 2022:

- On 30 March 2022, the Company allotted 6,864,000 ordinary shares at A\$1.00;
- On 30 June 2022, the Company allotted 8,164,000 ordinary shares at A\$1.00;
- On 30 September 2022, the Company allotted 7,228,000 ordinary shares at A\$1.00; and
- On 16 December 2022, the Company allotted 12,220,000 ordinary shares at A\$1.00.

Principal risks and uncertainties*Hazelwood rehabilitation project costs*

The Company manages its exposure to any risks of the Hazelwood rehabilitation project costs exceeding the planned funding agreed per the New Funding Commitment Deed. The more imminent risks and strategies to mitigate these risk include:

- Potential additional costs required on existing ash storage landfills to mitigate leachate (the Hazelwood Ash Retention Area). Regulatory engagement is underway to avoid these additional costs.
- Inflationary impacts which the Hazelwood Power Partnership is intending to mitigate through a range of opportunities, including the benefits of an Alliance partnership.

Going concern

The Company had no net current liabilities as at 31 December 2022 (2021: A\$nil) and net losses of \$34,376,000 (2021: \$52,572,000). The directors have considered the application of the going concern basis of accounting. Given the facts that:

- the Company is a non-operating entity; and
- the New Funding Commitment Deed enables HPP to meet its obligations with regards to its closure and rehabilitation; and
- the track record of IPL and ENGIE Group for provision of financial support (such as guarantees and renewal of funding arrangements); and
- the Company do not expect to incur further liabilities in the future,

the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

National Power Australia Investments Limited
Strategic report

Company No: 02782480

Events after the end of the reporting period and future developments

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the entity in subsequent financial years.

The company has no significant future developments to report.

By order of (approved by and signed on the behalf of) the Board of directors

DocuSigned by:

Rik De Buyserie

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H De Buyserie

Director

10 May 2023

National Power Australia Investments Limited**Company No: 02782480****Directors' report**

The directors present their annual report and audited financial statements of National Power Australia Investments Limited for the year ended 31 December 2022.

Information disclosed in the Strategic report

The following information has been disclosed in the strategic report and forms part of this report by cross-reference:

- Principal activities
- Business review
- Principal risks and uncertainties, including going concern
- Events after the end of the reporting period and future developments

Financial risk management objectives and policies

Please refer to the Strategic report under heading 'Principal risks and uncertainties' where these have been disclosed.

Directors

The directors who held office during the financial year and to the date of this report were as follows:

Name	Position held in the Company	Date appointed	Date Resigned
A Honorat	Director	7 December 2018	24 May 2022
A Hyland	Director	24 May 2022	14 November 2022
L Kim	Chairman	14 September 2018	20 February 2023
F Claux	Director	1 October 2021	
H De Buyserie	Director	14 November 2022	

Political donations

The Company did not make any political donations during the year (2021: A\$nil).

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the *Companies Act 2006*.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Directors' and officers' liability insurance

ENGIE S.A. has implemented global insurance arrangements covering the Company's directors and officers against legal liabilities that arise from their position as directors or officers of the Company.

National Power Australia Investments Limited

Company No: 02782480

Directors' report

In addition, a local policy has been procured for International Power (Australia) Holdings Pty Ltd and its subsidiaries which cover the Company's directors and officers against similar liabilities.

The terms of the contracts of insurance prohibit the disclosure of the nature of the liabilities insured against and the amount of the premium.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2022 (2021: A\$nil).


Auditor

Deloitte LLP was appointed as the Company's statutory auditor for the year ended 31 December 2022.

Pursuant to Section 487 of the *Companies Act 2006*, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

By order of (approved by and signed on the behalf of) the Board of directors

DocuSigned by:



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H De Buyserie

Director

10 May 2023

National Power Australia Investments Limited

Company No: 02782480

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 its 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 are responsible for the maintenance and integrity of the corporate and financial information including on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

National Power Australia Investments Limited

Company No: 02782480

Independent auditor's report to the members of National Power Australia Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of National Power Australia Investments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss 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.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity
- the statement of cash flows; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

National Power Australia Investments Limited

Company No: 02782480

Independent auditor's report to the members of National Power Australia Investments Limited

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

National Power Australia Investments Limited

Company No: 02782480

Independent auditor's report to the members of National Power Australia Investments Limited

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

National Power Australia Investments Limited

Company No: 02782480

Independent auditor's report to the members of National Power Australia Investments Limited

Matters on which we are required to report by exception

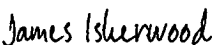
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.

DocuSigned by:

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James Isherwood ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
10 May 2023

National Power Australia Investments Limited**Company No: 02782480****Income statement****For the year ended 31 December 2022**

		Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
	Note		
Impairment loss on investment	5	(34,476)	(52,572)
Loss before taxation		(34,476)	(52,572)
Tax charge on loss	4	-	-
Loss for the financial year		(34,476)	(52,572)

All results are from continuing operations.

There is no other comprehensive income attributable to the shareholder of the Company (2021: nil).

The notes on pages 16 to 23 form part of these financial statements.

National Power Australia Investments Limited**Company No: 02782480****Statement of financial position****As at 31 December 2022**

		As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Non-Current assets			
Investments	5	-	-
		-	-
Current assets		-	-
Net current assets		-	-
Total assets less current liabilities		-	-
Net assets		-	-
Capital and reserves			
Called-up share capital	6	275,808	241,332
Retained loss		(275,808)	(241,332)
Equity shareholder's funds		-	-

The notes on pages 16 to 23 form part of these financial statements.

These financial statements of National Power Australia Investments Limited (Company no. 02782480) were approved by the Board of directors and authorised for issue on 10 May 2023.

They were signed on its behalf by:

DocuSigned by:

Rik De Buyserie

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H De Buyserie

Director

National Power Australia Investments Limited

Company No: 02782480

Statement of changes in equity**As at 31 December 2022**

	Called-up share capital A\$'000	Retained loss A\$'000	Total A\$'000
Equity shareholder's funds at 1 January 2021	188,760	(188,760)	-
Loss for the financial year	-	(52,572)	(52,572)
Total comprehensive expense	-	(52,572)	(52,572)
Issue of share capital (Note 6)	52,572	-	52,572
Total transactions with equity holders	52,572	-	52,572
Equity shareholder's funds at 31 December 2021	241,332	(241,332)	-
 Equity shareholder's funds at 1 January 2022	 241,332	 (241,332)	 -
Loss for the financial year	-	(34,476)	(34,476)
Total comprehensive expense	-	(34,476)	(34,476)
Issue of share capital (Note 6)	34,476	-	34,476
Total transactions with equity holders	34,476	-	34,476
Equity shareholder's funds at 31 December 2022	275,808	(275,808)	-

The notes on pages 16 to 23 form part of these financial statements.

National Power Australia Investments Limited**Company No: 02782480****Statement of cash flows****As at 31 December 2022**

		Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
	Note		
Cash flows from operating activities			
Net cash from operating activities		-	-
Cash flows from investing activities			
Net cash used in investing activities		-	-
Cash flows from financing activities			
Net cash used in financing activities		-	-
Net increase/(decrease) in cash held		-	-
Cash and cash equivalents - 1 January		-	-
Cash and cash equivalents - 31 December		-	-

Note: The Company does not operate banking facilities.

The notes on pages 16 to 23 form part of these financial statements.

National Power Australia Investments Limited**Company No: 02782480****Notes to the financial statements****For the year ended 31 December 2022****General information**

National Power Australia Investments Limited (*the Company*) is a private limited company incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The Company is limited by shares. The address of its registered office is Rooms 481 - 499 Second Floor, Salisbury House, London Wall, London, England, EC2M 5SQ. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 to 4.

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of preparation

The Company meets the definition of a qualifying entity under FRS (*Financial Reporting Standard*) 101 issued by the Financial Reporting Council. Accordingly, the financial statements have been prepared in accordance with FRS 101 *Reduced Disclosure Framework* and in accordance with applicable accounting standards. These financial statements have also been prepared on the going concern basis, and under the historical cost convention.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) Financial instruments as required by IFRS 7 *Financial Instruments, Disclosures*;
- (b) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and at the end of the period);
- (c) the following paragraphs of IAS 1:
 - i. 16 (the requirement to make an explicit and unreserved statement of compliance with IFRSs),
 - ii. 38B-D (the requirement to disclose comparative information for narrative disclosures information going beyond the requirements of IFRSs additional comparative information),
 - iii. 40A-D (the requirement to present a third statement of financial position), and
 - iv. 134 to 136 (the requirement to disclose the entity's objectives, policies and processes for managing capital);
- (d) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective;
- (e) the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures* to disclose key management personnel compensation; and
- (f) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of ENGIE S.A.. The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 8.

The Company is a wholly owned subsidiary of International Power Limited and of its ultimate parent, ENGIE S.A.. It is included in the consolidated financial statements of ENGIE S.A. which are publicly available. Therefore, under Section 400 of the *Companies Act 2006* and paragraph 4(a) of IFRS 10 *Consolidated Financial Statements*, the Company is exempt from the requirement to prepare

National Power Australia Investments Limited**Company No: 02782480****Notes to the financial statements****For the year ended 31 December 2022****(a) Basis of preparation (continued)**

consolidated financial statements. Consequently, these financial statements present information about the Company as an individual undertaking and not its group.

The Company's functional currency is Australian dollars. The financial statements of the Company are presented in Australian dollars and are rounded to the nearest thousand Australian dollars.

New standards, interpretations and amendments adopted by the Company

The Company has applied a number of amendments to IFRSs and new Interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022.

The adoption of those listed below have not had any material impact on the disclosures or on the amounts reported in these financial statements:

Amendments to IFRS 3 Reference to the Conceptual Framework
 Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
 Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract
 Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and
 December 2021 Amendments to IFRS
 17)

Insurance Contracts

Amendments to IFRS 10 and IAS 28

*Sale or Contribution of Assets between an Investor
 and its Associate or Joint Venture*

Amendments to IAS 1

*Classification of Liabilities as Current or Non-
 current*

Amendments to IAS 1 and IFRS
 Practice Statement 2

Disclosure of Accounting Policies

Amendments to IAS 8

Definition of Accounting Estimates

Amendments to IAS 12

*Deferred Tax related to Assets and Liabilities arising
 from a Single Transaction*

(b) Going concern

The Company had no net current liabilities as at 31 December 2022 (2021: A\$nil) and net losses of \$34,376,000 (2021: \$52,572,000). The directors have considered the application of the going concern basis of accounting. Given the facts that:

- the Company is a non-operating entity;
- the New Funding Commitment Deed enables HPP to meet its obligations with regards to its closure and rehabilitation; and
- the track record of IPL and ENGIE Group for provision of financial support (such as guarantees and renewal of funding arrangements),

there are no reasonable grounds on which to expect the Company to incur further liabilities in the future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

National Power Australia Investments Limited**Company No: 02782480****Notes to the financial statements****For the year ended 31 December 2022****(c) Foreign currencies**

Foreign currency transactions are recorded in the functional currency at the exchange rates prevailing on the date of the transactions. At each reporting date:

- Monetary assets and liabilities denominated in foreign currencies are translated at year end exchange rates. The related translation gains and losses are recorded in the profit and loss account for the year to which they relate; and
- Non-monetary assets and liabilities denominated in foreign currencies are recognised at the historical cost applicable at the date of the transaction.

(d) Dividend income

Dividend income is recognised in the income statement when the Company's right to receive payment is established.

(e) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(f) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss 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 reporting date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting 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.

National Power Australia Investments Limited**Company No: 02782480****Notes to the financial statements****For the year ended 31 December 2022**

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 or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(g) Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment. At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount (greater of fair value less cost to sell and value in use). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(h) Amounts owed by group undertakings

Amounts owed by group undertakings are carried at amortised cost using the effective interest method less allowances for estimated impairment.

(i) Impairment of financial assets

The Company assess on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company requires expected lifetime losses to be recognised from initial recognition of the receivables. Lifetime ECL represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

(j) Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are regularly reviewed.

There are no significant areas of estimation, uncertainty and critical judgements in the application of accounting policies that had a significant effect on the values recognised in the financial statements.

2 Directors' and employees' remuneration

The directors did not receive any fees or emoluments from the Company during the year (2021: A\$nil) directly attributable to their position within the Company. There exist no qualifying services from directors attributable to the company and director fees are paid by other entities in their management of the group as a whole (of which nil is applicable to this entity).

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The Company had no employees during this financial year (2021: none).

3 Auditor's remuneration

The auditor's remuneration in respect of the statutory audit for the year ended 31 December 2022 and 31 December 2021 was borne by International Power (Australia) Pty Limited.

The auditor's remuneration was as follows:

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Auditor's remuneration for the year	86	13

4 Tax charge on loss

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Total tax charge	-	-

	Year ended 31 December 2022 A\$'000	Year ended 31 December 2021 A\$'000
Reconciliation of the total tax charge		
Loss before tax	(34,476)	(52,572)
Current tax credit at 30% (2021: 30%)	10,343	15,772
Non-deductible impairment expense	(10,343)	(15,772)
Total tax	-	-

The Company is a tax resident of Australia and therefore a tax reconciliation using the Australian Corporate tax rate has been presented above.

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Notes to the financial statements**For the year ended 31 December 2022****5 Investments**

At 31 December 2022 and 31 December 2021, the Company had the following directly held subsidiaries:

Name	Address of registered office and business address	Type of shares	Ownership 2022	Ownership 2021
Hazelwood Power Partnership	Level 23, 2 Southbank Boulevard, Southbank, Victoria 3006 Australia.	Partners' capital	52%	52%

At 31 December 2022 and 31 December 2021, the Company had the following indirectly held investments:

Name	Address of registered office and business address	Type of shares	Ownership 2022	Ownership 2021
Hazelwood Power Corporation Pty Limited	Level 23, 2 Southbank Boulevard, Southbank, Victoria 3006 Australia.	Ordinary shares	52%	52%

The Company has allotted share capital to IPL with the funding provided to HPP, per the arrangement above, as consideration on a periodic basis. The following share capital allotments occurred during the year ended 31 December 2022:

- On 30 March 2022, the Company allotted 6,864,000 ordinary shares at A\$1.00;
- On 30 June 2022, the Company allotted 8,164,000 ordinary shares at A\$1.00;
- On 30 September 2022, the Company allotted 7,228,000 ordinary shares at A\$1.00; and
- On 16 December 2022, the Company allotted 12,220,000 ordinary shares at A\$1.00.

As these contributions fund the HPP's station and mine rehabilitation they are irrecoverable and have thus been impaired.

Subsidiary undertakings	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Cost		
At 1 January	978,692	926,120
Contributions	34,476	52,572
At 31 December	1,013,168	978,692
Impairment		
At 1 January	(978,692)	(926,120)
Impairment loss	(34,476)	(52,572)
At 31 December	(1,013,168)	(978,692)
Net book value	-	-

National Power Australia Investments Limited**Company No: 02782480****Notes to the financial statements****For the year ended 31 December 2022****6 Issued and called-up share capital**

	As at 31 December 2022 A\$'000	As at 31 December 2021 A\$'000
Issued and called-up share capital:		
2 ordinary shares of £1.00 each (2021: 2 shares of £1.00 each)	-	-
2 ordinary shares of A\$6,587,999.00 each (2021: A\$6,587,999.00)	13,176	13,176
262,632,000 ordinary shares of A\$1.00 each (2021: A\$228,156,000)	262,632	228,156
	275,808	241,332

The Company has allotted share capital to IPL with the funding provided to HPP, per the arrangement above, as consideration on a periodic basis. The following share capital allotments occurred during the year ended 31 December 2022:

- On 30 March 2022, the Company allotted 6,864,000 ordinary shares at A\$1.00;
- On 30 June 2022, the Company allotted 8,164,000 ordinary shares at A\$1.00;
- On 30 September 2022, the Company allotted 7,228,000 ordinary shares at A\$1.00; and
- On 16 December 2022, the Company allotted 12,220,000 ordinary shares at A\$1.00.

The following share capital allotments occurred during the year ended 31 December 2021:

- On 26 March 2021, the Company allotted 12,064,000 ordinary shares at A\$1.00;
- On 25 June 2021, the Company allotted 10,192,000 ordinary shares at A\$1.00;
- On 30 September 2021, the Company allotted 11,232,000 ordinary shares at A\$1.00; and
- On 17 December 2021, the Company allotted 19,084,000 ordinary shares at A\$1.00.

The share capital represents the Ordinary Shares in the Company issued at par which carry a right to participate in the distribution of dividends or capital of the Company.

Ordinary shares rank equally between each other with regard to voting rights, the right to receive dividends and also in a distribution of assets on the winding up of the Company.

7 Related party disclosure

As at 31 December 2022 and 31 December 2021, the Company and its parent, International Power Limited, were wholly owned subsidiaries of ENGIE S.A. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions with wholly owned subsidiaries of ENGIE S.A.

There are no transactions with related parties that are not wholly owned by ENGIE S.A.

8 Controlling party and ultimate parent undertaking

The Company's immediate parent undertaking is International Power Limited who is incorporated in the United Kingdom and have the registered address of which is Rooms 481 - 499 Second Floor, Salisbury House, London Wall, London, England, EC2M 5SQ.

The directors consider the Company's ultimate parent undertaking and controlling party to be ENGIE S.A. which is incorporated in France and is headquartered in Paris, France and which is the parent

National Power Australia Investments Limited**Company No: 02782480****Notes to the financial statements****For the year ended 31 December 2022**

undertaking of the largest group in which the results of the Company are consolidated for the year ended 31 December 2022 and the year ended 31 December 2021. The consolidated financial statements of ENGIE S.A., may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

The smallest group in which the results of the Company were consolidated for the year ended 31 December 2022 and the year ended 31 December 2021 was that headed by International Power Limited. The consolidated financial statements of International Power Limited may be obtained from its registered office at Rooms 481 - 499 Second Floor, Salisbury House, London Wall, London, England, EC2M 5SQ.

9 Subsequent events

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the entity in subsequent financial years.

10 Contingent liabilities*Hazelwood mine fire*

The Hazelwood coal mine was impacted by a fire which broke out in a number of locations on 9 February 2014 as a consequence of spotting from adjacent bushfire activity. The fire took hold in the mine and took approximately 45 days to be brought under control. The Hazelwood Power Partnership (*Hazelwood*), of which the Company is a partner, worked with authorities including the Country Fire Authority (CFA) and Metropolitan Fire Brigade (MFB) to extinguish the fire.

On 7 February 2020, the (CFA) commenced legal proceedings against Hazelwood to recover costs alleged to have been incurred by the CFA in respect of the mine fire pursuant to the Country Fire Authority Regulations 2004 (Vic). Hazelwood continues to contest and vigorously defend this claim.