

Registered in England and Wales, No. 4084626

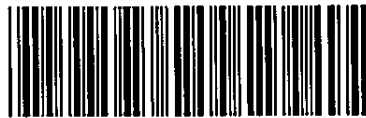
AES TEP Power Investments Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2009

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AES TEP Power Investments Limited

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AES TEP Power Investments Limited

OFFICERS AND PROFESSIONAL ADVISERS

Directors:

The following directors were in office during the financial year ended 31 March 2009 and subsequently, except where noted.

John McLaren (resigned 1 September 2009)
Neil Hopkins (resigned 30 April 2009)
Donald Lehman (appointed 30 April 2009)
Julian Jose Nebreda Marquez (appointed 1 September 2009)

Company's Secretary:

Neil Hopkins (resigned 30 April 2009)
Donald Lehman (appointed 30 April 2009)

Registered Office:

37-39 Kew Foot Road
Richmond
Surrey
TW92SS

Auditors:

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

AES TEP Power Investments Limited

DIRECTORS' REPORT **Year Ended 31 March 2009**

The Directors present their report and the financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The Company is an intermediary holding company. It received no income and incurred only professional fees during the year to 31 March 2009.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Company is a holding company for AES TEP Power II Investments Limited. It does not expect to increase investments during the coming year.

DIRECTORS

The membership of the Board is shown on page 1.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this report confirms that:

1. So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. The directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of directors
And signed on behalf of the Board



Donald Lehman
Director
17 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

United Kingdom Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures being 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AES TEP Power Investments Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AES TEP POWER INVESTMENTS LIMITED

We have audited the financial statements of AES TEP Power Investments Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

AES TEP Power Investments Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Birmingham

17 December 2009

AES TEP Power Investments Limited

PROFIT & LOSS ACCOUNT
Year Ended 31 March 2009

	Notes	2009 £	2008 £
Administrative expenses	(2)	<u>(3,917)</u>	<u>(5,417)</u>
Loss on Ordinary Activities Before Taxation		(3,917)	(5,417)
Taxation on loss on ordinary activities	(3)	<u>-</u>	<u>-</u>
Loss for the Financial Year		<u>(3,917)</u>	<u>(5,417)</u>

All activities derive from continuing operations.

A reconciliation of the movement in reserves is shown in note 8. There is no difference between the results reported above and those prepared on a historical cost basis.

AES TEP Power Investments Limited

BALANCE SHEET
31 March 2009

	Notes	2009 £	2008 £
FIXED ASSETS - Investment in subsidiary	(4)	21,811,260	21,811,260
CURRENT ASSETS			
DEBTORS - (including £Nil (2008: £666,696) due after more than one year	(5)	4,556,116	666,697
CREDITORS - amounts falling due within one year	(6)	(4,571,866)	(11,834)
NET CURRENT (LIABILITIES)/ASSETS		(15,750)	654,863
TOTAL ASSETS LESS CURRENT LIABILITIES		21,795,510	22,466,123
CREDITORS - amounts falling due after more than one year	(6)	-	(666,696)
NET ASSETS		21,795,510	21,799,427
CAPITAL AND RESERVES			
Share capital	(7)	3	3
Share premium	(8)	21,810,258	21,810,258
Profit and loss account	(8)	(14,751)	(10,834)
TOTAL EQUITY SHAREHOLDERS FUNDS		21,795,510	21,799,427

These financial statements were approved by the Board of Directors on 17 December 2009.

Signed on behalf of the Board of Directors.



Donald Lehman
Director

Company No. 4084626

NOTES TO THE FINANCIAL STATEMENTS
Year Ended 31 March 2009

1. ACCOUNTING POLICIES

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

a. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the group in its own published consolidated financial statements.

Consolidated financial statements have not been presented on the basis of the exemption under Section 228A of the Companies Act 1985 that the company is a wholly owned subsidiary of AES Corporation, which is incorporated in the USA. These financial statements disclose information about the Company as an individual undertaking, and not about its group.

As the Company is ultimately a wholly owned subsidiary of AES Corporation, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

b. Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any impairment.

c. Taxation

Taxation on profit on ordinary activities is that which has become or becomes payable in respect of the profits of the period, and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

AES TEP Power Investments Limited

d. Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. ADMINISTRATIVE EXPENSES

Administrative expenses is stated after charging:

	2009	2008
	£	£
Auditors' remuneration – Audit of these financial statements	3,917	3,917
Penalties	-	1,500
	3,917	5,417

3. TAXATION

Analysis of credit in the current year

	2009	2008
	£	£
Current tax credit	-	-
Deferred tax credit	-	-
Total tax credit for the year	-	-

Factors affecting the tax credit for the current year

The tax credit for the year is lower (2008: lower) than the standard rate of corporation tax in the UK of 28% (2008: 30%). The difference is due to the surrender of losses for group relief.

AES TEP Power Investments Limited

The tax charge is based on the loss for the year and comprises:

	2009 £	2008 £
Loss on Ordinary Activities Before Taxation	(3,917)	(5,417)
Expected tax credit at 28% (2008: 30%)	(1,097)	(1,625)
Effect of:		
Non-deductible expenses	-	450
Losses surrendered for no consideration	1,097	1,175
Total tax credit for the year	-	-

4. FIXED ASSET INVESTMENTS

	2009 £	2008 £
At 1 April	21,811,260	21,811,260
Additions	-	-
At 31 March	21,811,260	21,811,260

The fixed asset investments represent all the shares in its subsidiary company AES TEP Power II Investment Limited, registered in England. This subsidiary company acts as a holding company investing in an overseas subsidiary which is engaged in building a power plant in Mexico.

A charge exists over the shares in favour of Bankers Trust Company as Collateral Agent for the benefit of certain secured parties.

5. DEBTORS

	2009 £	2008 £
Amounts due from group companies	4,556,116	666,697

Included in the above is £Nil (2008: £666,696) due after more than one year.

AES TEP Power Investments Limited

6. CREDITORS

	2009 £	2008 £
Amounts due to Group companies falling due within one year	4,557,115	1,000
Amounts due to tax authorities	3,000	3,000
Amounts due to auditors	11,751	7,834
Total amounts due within one year	4,571,866	11,834
Amounts due to Group companies falling due after more than one year	-	666,696
Total amounts due after more than one year	-	666,696

7. SHARE CAPITAL

	2009 £	2008 £
Authorised 100 (2008: 100) ordinary, equity shares of £1 each	100	100
Allotted called up and fully paid 3 ordinary, equity shares of £1 each	3	3

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	Issued Share capital £	Share premium £	Profit and Loss account £	Total £
At 1 April 2008	3	21,810,258	(10,834)	21,799,427
Loss for the year	-	-	(3,917)	(3,917)
At 31 March 2009	3	21,810,258	(14,751)	21,795,510

9. PARENT UNDERTAKINGS

The Company's immediate parent undertaking is AES TEG/TEP Holdings, B.V., a company incorporated in the Netherlands.

The Company's ultimate parent undertaking and ultimate controlling party is AES Corporation, a company incorporated in the State of Delaware, USA.

AES TEP Power Investments Limited

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, USA.