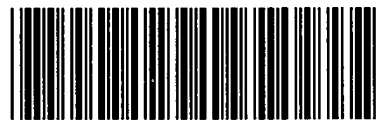


**Registered in England and Wales, No. 4084626**

**AES TEP Power Investments Limited**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2015**

THURSDAY



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COMPANIES HOUSE

**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 2015 and subsequently, except where noted.

Roger Casement (appointed 27 March 2015)

Julian Jose Nebreda Marquez

Ian Luney (appointed 27 March 2015)

Tihomir Mladenov (resigned 27 March 2015)

### **Registered Office:**

21 ST Thomas Street

Bristol

United Kingdom

BS1 6JS

### **Auditors:**

KPMG LLP

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

**DIRECTORS' REPORT**  
**Year Ended 31 March 2015**

The Directors present their report and the financial statements for the year ended 31 March 2015.

**PRINCIPAL ACTIVITIES**

The Company is an intermediate holding company. The profit on ordinary activities after tax was £5,783,179 (2014 profit: £1,882,665). The Company paid a dividend of £8,652,455 (2014: £4,154,825) and received a dividend of £8,652,455 (2014: £4,154,825).

**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.

**PRINCIPLE RISKS AND UNCERTAINTIES FACING THE BUSINESS**

The Company's investment in AES TEP Power II Investment Limited continues to be a key risk to the business in terms of its carrying value and dividend policy. The financial performance of the business is therefore exposed to the underlying performance of the subsidiary.

The Company remains exposed to fluctuations in the rate of exchange between the US Dollar and British Pound. This risk arises due to transactions and associated balances being recognised in a currency that is different to the Company's functional currency.

**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

A handwritten signature in black ink, appearing to read 'Casement', with a long horizontal stroke extending from the end.

Roger Casement  
Director  
31 July 2015

**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.

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).

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;
- 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 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.

## **INDEPENDENT AUDITOR'S 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 2015 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors**

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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



**James Tracey (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

31 July 2015



AES TEP Power Investments Limited

**AES TEP Power Investments Limited**  
**PROFIT & LOSS ACCOUNT**  
**Year Ended 31 March 2015**

	Notes	Mar-15 £	Mar-14 £
Administrative expenses	(2)	(9,238)	(6,460)
<b>Operating loss</b>		(9,238)	(6,460)
Income from fixed asset investments	(5)	8,652,455	4,154,825
Interest payable		—	(20,337)
Interest receivable and similar income		—	20,337
Foreign exchange gain		1,376	—
Investment Asset Impairment Expense	(6)	(2,861,414)	(2,267,186)
<b>Profit on Ordinary Activities Before Taxation</b>		5,783,179	1,881,179
Taxation on profit on ordinary activities	(4)	—	1,486
<b>Profit for the Financial Year</b>		<u>5,783,179</u>	<u>1,882,665</u>

All activities derive from continuing operations.

A reconciliation of the movement in reserves is shown in note 10. There is no difference between the results reported above and those prepared on a historical cost basis.

AES TEP Power Investments Limited

**STATEMENTS OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year Ended 31 March 2015**

	<b>Notes</b>	<b>2015 £</b>	<b>2014 £</b>
Profit for the Financial Year	(10)	5,783,179	1,882,665
Exchange movements	(10)	—	(374)
<b>Total recognised gains and losses</b>		<b>5,783,179</b>	<b>1,882,291</b>

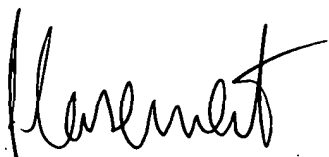
AES TEP Power Investments Limited

**AES TEP Power Investments Limited**  
**BALANCE SHEET**  
**31 March 2015**

	Notes	Mar-15 £	Mar-14 £
<b>FIXED ASSETS</b>			
Investment in subsidiary	(6)	16,682,660	19,544,074
<b>TOTAL FIXED ASSETS</b>		<b>16,682,660</b>	<b>19,544,074</b>
<b>CURRENT ASSETS</b>			
<b>DEBTORS - Amounts due after more than one year</b>	(7)	<b>4,272,154</b>	<b>3,813,145</b>
<b>CREDITORS - amounts falling due within one year</b>	(8)	<b>(4,250,070)</b>	<b>(3,783,199)</b>
<b>NET CURRENT ASSETS</b>		<b>22,084</b>	<b>29,946</b>
<b>NET ASSETS</b>		<b>16,704,744</b>	<b>19,574,020</b>
<b>CAPITAL AND RESERVES</b>			
Share capital	(9)	3	3
Share premium	(10)	11,810,258	11,810,258
Profit and loss account	(10)	4,894,483	7,763,759
<b>TOTAL EQUITY SHAREHOLDERS FUNDS</b>		<b>16,704,744</b>	<b>19,574,020</b>

These financial statements were approved by the Board of Directors on 31 July 2015.

Signed on behalf of the Board of Directors.



Roger Casement  
 Director

Company No. 4084626

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 31 March 2015**

**1. ACCOUNTING POLICIES**

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

**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 401 of the Companies Act 2006 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.

**Related parties**

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).

**Going concern**

The directors have reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing these financial statements.

**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.

**d. Dividends**

Dividends payable are accounted in the Company's Financial Statements when the Company declares the payment of the dividend and it is no longer at the discretion of the Company. Dividends receivable are accounted for when approved.

**e. Foreign exchange**

Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into sterling at rates of exchange ruling at the end of the financial year. Any exchange differences on translation are taken to the profit and loss account.

**2. ADMINISTRATIVE EXPENSES**

Administrative expenses are stated after charging:

	2015 £	2014 £
Auditor's remuneration – Audit of these financial statements	6,386	6,400

**3. STAFF NUMBERS AND COSTS**

The average number of persons employed by the Company (excluding directors) during the year was Zero (2014: Zero).

No employee (including directors) received any emoluments or pension contribution during the year.

#### 4. TAXATION

##### *Analysis of credit in the current year*

	2015 £	2014 £
<b>Current Tax</b>		
UK corporation tax credit on profit for the year	—	(1,486)

##### *Factors affecting the tax credit for the current year*

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 21% (2014: 23%) to the loss before tax is as follows:

	2015 £	2014 £
<b>Profit on Ordinary Activities Before Taxation</b>	5,783,179	1,881,179
Tax on group profit on ordinary activities at Standard UK corporation tax rate of 21% (2013: 23%)	1,214,468	432,671
Effect of:		
Dividends income not subject to tax	(1,817,016)	(955,610)
Expenses not deductible for tax purposes	602,548	521,453
<b>Total tax charge for the year</b>	—	(1,486)

A deferred tax asset of £783 in respect of other timing differences has not been recognized as there is insufficient evidence that the assets will be recovered. The assets would be recovered should the company make suitable taxable profits in the future. The deferred tax asset at 31 December 2015 has been calculated at 20%.

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. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

## 5. INCOME FROM FIXED ASSET INVESTMENTS

	2015	2014
	£	£
Dividends received	8,652,455	4,154,825

## 6. FIXED ASSET INVESTMENTS

	2015	2014
	£	£
At 1 April	19,544,074	21,811,260
Amounts written off investments	(2,861,414)	(2,267,186)
At 31 March	16,682,660	19,544,074

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 favor of Bankers Trust Company as Collateral Agent for the benefit of certain secured parties.

## 7. DEBTORS

	2015	2014
	£	£
Amounts due from group companies	4,272,154	3,804,275
Amounts recoverable from tax authorities	—	8,870
Total	4,272,154	3,813,145

Included in the above is £4,272,154 (2014: £3,813,145) due after more than one year.

AES TEP Power Investments Limited

**8. CREDITORS**

	2015 £	2014 £
Amounts due to Group companies falling due within one year	4,250,070	3,783,199
Total	<u>4,250,070</u>	<u>3,783,199</u>

**9. SHARE CAPITAL**

	2015 £	2014 £
Authorised 100 (2014:100) ordinary, equity shares of £1	<u>100</u>	<u>100</u>
Allotted called up and fully paid 3 ordinary, equity shares of £1 each	<u>3</u>	<u>3</u>

**10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS**

	Issued Share capital £	Share premium £	Profit and Loss account £	Total £
At 1 April 2014	3	11,810,258	7,763,759	19,574,020
Dividends paid	—	—	(8,652,455)	(8,652,455)
Profit for the year	—	—	5,783,179	5,783,179
At 31 March 2015	<u>3</u>	<u>11,810,258</u>	<u>4,894,483</u>	<u>16,704,744</u>



## **11. 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.

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 5<sup>th</sup> Street NW, Washington, USA.