

**NORMANGLADE 4 LLP**

**Registered No: OC309574**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2017**



**Members' report**

The Members present their report and audited financial statements of Normanglade 4 LLP (the Partnership) for the year ended 31 December 2017.

**Principal activities**

The Partnership is an investment holding partnership, holding a 100% investment in Normanframe (UK Co 6) Limited and a 99% investment in Normanclose 2 LLP. The designated Members during the year were IPM Eagle LLP, which owns a 99% interest in the Partnership, and Normanbright (UK Co 5) Limited, which owns a 1% interest in the Partnership. The average number of Members for the year was two (2016: two).

**Business review**

The results of the Partnership are as follows:

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
Profit for the financial year available for discretionary division among Members	5,757	6,141

As shown in the income statement on page 7, the profit for the financial year ended 31 December 2017 has decreased in comparison with the prior year mainly because of an increase in interest payable and similar expenses.

The statement of financial position, on page 8, shows the Partnership's financial position at the end of the current and preceding financial year. The net assets attributable to Members have decreased from US\$307,069,000 to US\$306,465,000 mainly due to the distribution of profits to Members, offset by the profit for the financial year.

The Members do not monitor the performance of the Partnership 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.

**Members' drawings**

Each Member shall be entitled to receive dividends by way of distributions of profits when, as and if declared by the Board. Such dividends shall be distributed in proportion to each Members' interest on the day on which the particular dividend takes place.

There were no transfers of Members' interests between capital and debt during the year or up to the date of signature of the accounts.

Contributions transferred into the ownership of the Partnership by Members are classified as Members' capital unless there are specific written instructions between the Member and the Partnership deeming the contribution a loan.

**Allocation of profit and loss**

On 31 March 2017, the Members approved a distribution, out of the Partnership's profits, in an aggregate amount of US\$6,400,000 to be allocated to the Members in proportion to their interest in the Partnership (2016: total distribution of US\$65,434,000).

**Principal risks and uncertainties***Investments in group undertakings*

The Partnership holds a 100% investment in Normanframe (UK Co 6) Limited and a 99% investment in Normanclose 2 LLP. Although the Members are satisfied that the recoverable amounts of the Partnership's investments are not less than their book value, there is a remote risk that in future periods the book value may become impaired. The Members have assessed this exposure as acceptable.

**Members' report (continued)**

**Principal risks and uncertainties (continued)***Credit risk*

The Partnership manages credit exposure to counterparties by establishing clearly defined limits, policies and procedures. The largest receivables relate to amounts lent to undertakings within the ENGIE group for which the Partnership can demand repayment at any time. The Partnership continually reviews its receivable position and the credit risk associated with this position. The Members believe that payment default remains a low risk and have assessed this exposure as acceptable.

With respect to treasury activities, the Partnership's financial counterparty credit exposure is limited to cash pooling arrangements with ENGIE Treasury Management S.a.r.l. (formerly GDF SUEZ Treasury Management S.a.r.l.), disclosed under 'Debtors: amounts owed by ENGIE group undertakings – current account'. This results in a concentration of risk to the ENGIE group, but the risk of default remains low given ENGIE's strong credit rating.

*Currency risk*

The Partnership has translation risk on monetary liabilities denominated in currencies other than its local currency. As at 31 December 2017 the Partnership has amounts owed to ENGIE group undertakings denominated in sterling totalling £50,000 (US\$68,000) (2016: £470,000 (US\$579,000)). The Partnership does not have sufficient foreign currency assets to offset this foreign exchange exposure. It is not the Partnership's policy to hedge currency translation exposures through foreign exchange contracts or currency swaps. Although the foreign currency monetary liability creates volatility in earnings from period to period, the Members have assessed this exposure as acceptable.

*Interest rate risk*

The Partnership has both interest-bearing assets and interest-bearing liabilities in the form of intercompany balances with ENGIE group undertakings. As at 31 December 2017 interest-bearing assets with a carrying value of US\$604,797,000 (2016: US\$665,370,000) earned interest at floating rates plus a margin. Interest-bearing liabilities with a carrying value of US\$385,078,000 (2016: US\$446,941,000) accrued interest at floating rates plus a margin. As interest-bearing assets are more significant than interest-bearing liabilities, the Members have assessed this risk as acceptable.

**Employees**

The Partnership had no employees (2016: none) and incurred no related costs during the financial year (2016: US\$nil).

**Going concern**

The Partnership's activities, together with the factors likely to affect its future development and position, are set out above and below. The Partnership is expected to continue to generate positive cash flows on its own account for the foreseeable future. Therefore, the Partnership's Members have a reasonable expectation that the Partnership will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Events after the end of the reporting period**

There have been no significant events since the reporting date which should be considered for a proper understanding of these financial statements.

**Future developments**

The Partnership has no significant future developments to report.

**Members' report (continued)**

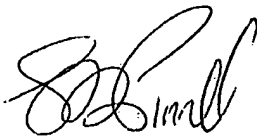
**Disclosure of information to the auditor**

Deloitte LLP was appointed as the Partnership's statutory auditor for the year ended 31 December 2017. The Members confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditor is unaware, and each Member has taken all the steps that it ought to have taken as a Member to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

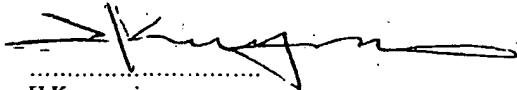
This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Auditor**

Pursuant to Section 487 of the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006), the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.



.....  
S D Pinnell  
On behalf of Normanbright (UK Co 5) Limited  
26 September 2018



.....  
H Kayamori  
On behalf of IPM Eagle LLP  
26 September 2018

**Statement of Members' responsibilities**

The Members are responsible for preparing the Members' report and the Partnership's financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare the financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standards 101 *Reduced Disclosure Framework*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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 Partnership will continue in business.

The Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that its financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for the safeguarding of the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the Members of Normanglade 4 LLP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Normanglade 4 LLP (the 'limited liability partnership'):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2017 and of its profit 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 as applied to limited liability partnerships.

We have audited the financial statements which comprise:

- the Income statement;
- the Statement of financial position;
- the Statement of changes in Members' equity; and
- the related notes 1 to 13.

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 limited liability partnership 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 (FRC) 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**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The Members are responsible for the other information. The other information comprises the information included in the Members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

**Independent auditor's report to the Members of Normanglade 4 LLP**

**Responsibilities of Members**

As explained more fully in the Members' responsibilities statement, the Members 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 Members 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 Members are responsible for assessing the limited liability partnership'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 Members either intend to liquidate the limited liability partnership 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**Matters on which we are required to report by exception**

Under the Companies Act 2006 as applied to limited liability partnerships 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
- 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 limited liability partnership's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's Members as a body, for our audit work, for this report, or for the opinions we have formed.



Makhan Chahal ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

Date: 27th September 2018

**Income statement  
for the year ended 31 December 2017**

	Note	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
Income from shares in group undertakings		-	137
<b>Profit before interest and taxation</b>		-	137
Interest receivable and similar income	3	14,398	13,427
Interest payable and similar expenses	4	(8,602)	(7,385)
<b>Profit before taxation</b>		5,796	6,179
Tax on profit	5	-	-
<b>Profit for the financial year available before Members' remuneration and share of profit</b>		5,796	6,179
Members' remuneration charged as an expense	6	(39)	(38)
<b>Profit for the financial year available for discretionary division among Members</b>		5,757	6,141

All results are from continuing operations.

There is no other comprehensive income attributable to the Members of the Partnership.

The notes on pages 10 to 17 form part of these financial statements.

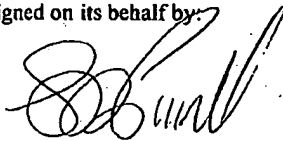


Statement of financial position  
as at 31 December 2017

	Note	As at 31 December 2017 US\$'000	As at 31 December 2016 US\$'000
<b>Fixed assets</b>			
Investments	7	87,954	87,954
<b>Current assets</b>			
Debtors	8	607,364	669,014
Cash at bank and in hand		-	-
		607,364	669,014
<b>Creditors: amounts falling due within one year</b>	9	(388,853)	(449,899)
<b>Net current assets</b>		218,511	219,115
<b>Net assets attributable to Members</b>		306,465	307,069
<b>Represented by:</b>			
Loans and other debts due to Members due within one year			
Other amounts	10	1,871	1,832
		1,871	1,832
<b>Members' other interests:</b>			
Members' capital classified as equity		47,652	47,652
Members' other interests classified as equity		256,942	257,585
		306,465	307,069
<b>Members' other interests</b>			
Loans and other debts due to Members		1,871	1,832
Members' capital		47,652	47,652
Other reserves		256,942	257,585
		306,465	307,069

The notes on pages 10 to 17 form part of these financial statements.

These financial statements were approved and authorised for issue by the Members on 26 September 2018 and signed on its behalf by:



S D Pinnell  
on behalf of Normanbright (UK Co 5) Limited



H Kayamori  
on behalf of IPM Eagle LLP

Statement of changes in Members' equity  
for the year ended 31 December 2017

	Members' other interests		Total US\$'000	Loans and other debts due to Members US\$'000	Total US\$'000
	Members' capital US\$'000	Other reserves US\$'000			
<b>Balance at 1 January 2016</b>	47,652	316,878	364,530	2,136	366,666
Profit for the financial year available for discretionary division among Members	-	6,141	6,141	-	6,141
Members remuneration charged as an expense	-	-	-	38	38
Repayment of debt	-	-	-	(342)	(342)
<b>Members' interests after profit for the financial year</b>	47,652	323,019	370,671	1,832	372,503
Distribution of profits to Members	-	(65,434)	(65,434)	-	(65,434)
<b>Balance at 31 December 2016</b>	47,652	257,585	305,237	1,832	307,069
Profit for the financial year available for discretionary division among Members	-	5,757	5,757	-	5,757
Members remuneration charged as an expense	-	-	-	39	39
<b>Members' interests after profit for the financial year</b>	47,652	263,342	310,994	1,871	312,865
Distribution of profits to Members	-	(6,400)	(6,400)	-	(6,400)
<b>Balance at 31 December 2017</b>	47,652	256,942	304,594	1,871	306,465

Other reserves comprise the Partnership's profits or losses available for discretionary division among Members.

The notes on pages 10 to 17 form part of these financial statements.

**Notes to the financial statements  
for the year ended 31 December 2016**

**General information**

Normanglade 4 LLP (the Partnership) is a limited liability partnership incorporated and domiciled in England. The Partnership is incorporated under the Partnership Act 2000. The address of its registered office is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom. The nature of the Partnership's operations and its principal activities are set out in the Members' report on pages 1 to 3.

**1. Accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

**a. Basis of preparation**

The Partnership meets the definition of a qualifying entity under FRS (Financial Reporting Standard) 100 issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with FRS 101 *Reduced Disclosure Framework* as issued by the Financial Reporting Council, the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in accordance with applicable accounting standards.

The Partnership's activities, together with the factors likely to affect its future development and position, are set out in the Members' report. The Partnership's Members have a reasonable expectation that the Partnership will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

As permitted by FRS 101, the Partnership 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) financial instrument valuation techniques and input used for fair value measurement as required by paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (c) 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 beginning and at the end of the period);
- (d) the following paragraphs of IAS 1:
  - i. 10(d) (the requirement to present a statement of cash flows),
  - ii. 10(f) (the requirement to present a statement of financial position as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement in its financial statements, or when it reclassifies items in its financial statements),
  - iii. 16 (the requirement to make an explicit and unreserved statement of compliance with IFRSs),
  - iv. 38A (the requirement to present a minimum of two primary statements, including cash flow statements),
  - v. 38B-D (the requirement to disclose comparative information for narrative disclosures and for information going beyond the requirements of IFRSs' additional comparative information),
  - vi. 40A-D (the requirement to present a third statement of financial position),
  - vii. 111 (the requirement for disclosure of cash flow information), and
  - viii. 134 to 136 (the requirement to disclose the entity's objectives, policies and processes for managing capital);
- (e) the requirements of IAS 7 *Statement of Cash Flows* to present a statement of cash flows for the period;
- (f) 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;
- (g) the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*; and

Notes to the financial statements  
for the year ended 31 December 2016 (continued)

I. Accounting policies (continued)

a. Basis of preparation (continued)

- (h) 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. (formerly GDF SUEZ S.A.). The group accounts of ENGIE S.A. are available to the public and can be obtained as set out in note 12.

The Partnership is a wholly owned subsidiary of IPM Eagle LLP, a partnership owned 70% by a wholly owned subsidiary of ENGIE S.A., and 30% by Mitsui Power Ventures Limited. 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 as applied to limited liability partnerships and paragraph 4(a) of IFRS 10 *Consolidated Financial Statements*, the Partnership is exempt from the requirement to prepare consolidated financial statements. Consequently, these separate financial statements present information about the Partnership as an individual undertaking and not its group.

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

*Adoption of new and revised Standards*

The Partnership has not early adopted any standard, interpretations or amendment that has been issued but is not for an accounting period that begins on or after 1 January 2017.

The Partnership 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 2017. These comprise Amendments to IAS 7 Disclosure Initiative and IAS 12: Recognition of Deferred Tax assets for unrealised losses. The Company has also applied Annual Improvements to IFRSs 2016-2017 Cycle. The application of these amendments have had no material effect on the Company's financial statements.

b. Critical accounting estimates and judgements

The preparation of the financial statements in conformity with FRS 101 requires the use of estimates and assumptions to determine the value of assets and liabilities, and contingent assets and liabilities at the reporting date, as well as income and expenses reported during the period.

The Partnership regularly revises its estimates in light of currently available information because of uncertainties inherent in the estimation process. Final outcomes could differ from those estimates.

The key estimates used in preparing the Partnership's financial statements predominately relate to the measurement of the recoverable amount of investments.

*Recoverable amount of investments*

Determining whether the Partnership's investments have been impaired requires estimation of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investees and suitable discount rates in order to calculate present values. The carrying amount of investments at the reporting date was US\$87,954,000 (2016: US\$87,954,000) with no impairment loss recognised in 2016 or 2017.

**Notes to the financial statements  
for the year ended 31 December 2017 (continued)**

**1. Accounting policies (continued)**

**c. Foreign currencies**

Foreign currency transactions are recorded in the functional currency at the exchange rates prevailing on the dates 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 income statement 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 Partnership'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. Interest expense**

Interest expense 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 payments through the expected life of the financial liability to that liability's net carrying amount.

**g. Fixed asset investments**

Fixed asset investments are stated at cost less provision for any impairment. At each reporting date, the Partnership assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Partnership makes a formal estimate of the asset's recoverable amount (greater of fair value less costs 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. An impairment provision is reversed to the extent that the asset's recoverable amount is greater than the carrying value of the fixed asset investment.

**h. Cash and cash equivalents**

These items include cash equivalents as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7.

**i. Members' remuneration and Members' interests**

There is no contractual obligation by the Partnership to repay the capital at the discretion of its Members, without liquidation, therefore Members' capital is presented as equity. Contributions transferred into the ownership of the Partnership by Members are classified as Members' capital unless there are specific agreements between the Member and the Partnership deeming the contribution a loan.

Members' interests earned on Members' balances are treated as Members' remuneration and charged as an expense to the income statement in arriving at profit or loss available for discretionary division among Members.

Distributions of profit by way of dividends are recognised as a liability to Members when, as and if such distributions are declared by the Board and approved by the Members. The distributions are made in proportion to the Members' interest on the day on which the distribution takes place. The overall policy for Members' drawings takes into account the need to maintain sufficient funds to finance working capital and other needs of the Partnership.

**Notes to the financial statements  
for the year ended 31 December 2017 (continued)**

**1. Accounting policies (continued)**

**j. Members' officer fees or emoluments and employees**

The Members' officers did not receive any fees or emoluments from the Partnership during the year (2016: US\$nil) directly attributable to their position within the Partnership. All Members' officers' fees or emoluments were paid by International Power Ltd. or Mitsui Power Ventures Limited for their services to the group as a whole.

The Partnership had no employees during the financial year (2016: none).

**k. Members' capital**

During the financial year ended 31 December 2017, there were no returns of Partnership capital made to the Members (2016: US\$nil).

**l. Financial instruments**

Financial instruments are recognised and measured in accordance with IAS 32 and IAS 39. There are no financial assets or liabilities measured at fair value through profit or loss.

**Financial assets**

Financial assets of the Partnership comprise, loans and receivables carried at amortised cost. The Partnership determines the classification of its assets at initial recognition.

*Loans and receivables at amortised cost*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These items primarily include amounts owed by ENGIE group undertakings.

On initial recognition, loans and receivables are recorded at fair value plus transaction costs. At each reporting date, they are measured at amortised cost using the effective interest method.

Impairment losses are recognised based on the estimated risk of non-recovery.

**Financial liabilities**

Financial liabilities with the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Partnership determines the classification of its financial liabilities at initial recognition.

Financial liabilities include amounts owed to ENGIE group undertakings and other amounts owed to Members.

All financial liabilities are recognised initially at fair value, and in the case of loans and borrowings net of directly attributable transaction costs. These costs are taken into account when calculating the effective interest rate and are therefore recorded in the income statement over the life of the borrowings using the amortised cost method.

**2. Auditor's remuneration**

The auditor's remuneration in respect of the statutory audit for the years ended 31 December 2017 and 31 December 2016 was borne by International Power Ltd..

The auditor's remuneration was as follows:

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
Auditor's remuneration for the financial year	4	5

Notes to the financial statements  
for the year ended 31 December 2017 (continued)

2. Auditor's remuneration (continued)

Audit fees and non-audit fees borne by International Power Ltd. and its subsidiaries are set out in the financial statements of International Power Ltd. for the year ended 31 December 2017 which can be obtained from Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.

3. Interest receivable and similar income

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
Interest receivable from ENGIE group undertakings	14,398	13,379
Net exchange gain	-	48
	<u>14,398</u>	<u>13,427</u>

ENGIE group undertakings are subsidiaries of ENGIE S.A.

4. Interest payable and similar expenses

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
Interest payable to ENGIE group undertakings	8,561	7,385
Net exchange loss	41	-
	<u>8,602</u>	<u>7,385</u>

ENGIE group undertakings are subsidiaries of ENGIE S.A.

5. Tax on profit

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
<b>Tax on profit</b>		
	<u>5,796</u>	<u>6,179</u>
<b>Reconciliation of total tax expense</b>		
Profit before taxation	5,796	6,179
Current tax expense at 19.25% (2016: 20%)	(1,116)	(1,236)
Items non-taxable for tax purposes	3	27
Profit attributable to Members	<u>1,113</u>	<u>1,209</u>
<b>Tax on profit</b>		

The current year applicable statutory tax rate of 19.25% represents a weighted average rate based on 20% applicable for the three months to 31 March 2017, and 19% applicable from 1 April 2017.

The prior year applicable statutory tax rate of 20%.

Factors that may affect future tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and the Finance Bill 2016 (on 7 September 2016).

Notes to the financial statements  
for the year ended 31 December 2017 (continued)

5. Tax on profit (continued)

Factors that may affect future tax charges (continued)

These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. This will reduce the Company's tax charges accordingly.

The 2016 Financial Act further reduced the rate from 1 April 2020 to 17%. There have been no further amendments to the future corporation tax rate as of this date.

6. Members' remuneration charged as an expense

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
Interest payable	39	38

7. Investments

At 31 December 2017 the Partnership had the following directly held investments:

	Registered office	Class of shares held	Proportion held
Normanframe (UK Co 6) Limited	Level 20, 25 Canada Square, London E14 5LQ, United Kingdom	Ordinary shares	100%
Normanclose 2 LLP	Level 20, 25 Canada Square, London E14 5LQ, United Kingdom	Partnership capital	99% <sup>1</sup>

<sup>1</sup> The remaining 1% of the Partners' capital is held by Normanframe (UK Co 6) Limited.

The results and financial position of Normanclose 2 LLP are included in the consolidated financial statements of ENGIE S.A., a company incorporated in France.

	Total US\$'000
Cost	
At 1 January 2017 and 31 December 2017	87,954
Net book value	
At 31 December 2017 and 31 December 2016	87,954

As at 31 December 2017, the Members are of the opinion that the recoverable amounts of the Partnership's investments are not less than their book value.

8. Debtors

	31 December 2017 US\$'000	31 December 2016 US\$'000
Amounts owed by ENGIE group undertakings - loan	596,711	658,320
Amounts owed by ENGIE group undertakings - interest	2,567	3,644
Amounts owed by ENGIE group undertakings - current account	8,086	7,050
	<u>607,364</u>	<u>669,014</u>

ENGIE group undertakings are subsidiaries of ENGIE S.A.

Amounts owed by ENGIE group undertakings – loan and current account are unsecured, subject to floating rates of interest plus a margin, and repayable on demand.



Notes to the financial statements  
for the year ended 31 December 2017 (continued)

9. Creditors: amounts falling due within one year

	31 December 2017 US\$'000	31 December 2016 US\$'000
Amounts owed to ENGIE group undertakings - loan	386,039	447,902
Amounts owed to ENGIE group undertakings - interest	2,814	1,997
	<u>388,853</u>	<u>449,899</u>

ENGIE group undertakings are companies with the ENGIE group.

Amounts owed to ENGIE group undertakings - loan are unsecured, subject to floating rates of interest plus a margin and repayable on demand.

Within amounts owed to ENGIE group undertakings - loan are interest free loans of US\$961,000 (2016: US\$961,000).

10. Loans and other debts due to Members

	31 December 2017 US\$'000	31 December 2016 US\$'000
Other amounts owed to Member - loan	1,871	1,832
Other amounts owed to Member - interest		
	<u>1,871</u>	<u>1,832</u>

Other amounts owed to Member - loan is unsecured, subject to floating rates of interest plus a margin and repayable on demand.

11. Related party disclosures

As at 31 December 2017 and 31 December 2016, the Partnership was a wholly owned subsidiary of IPM Eagle LLP, a partnership owned 70% by a wholly owned subsidiary of ENGIE S.A., and 30% by Mitsui Power Ventures Limited. The Partnership has taken advantage of the exemption under paragraph 8(k) of FRS 101 and has therefore not disclosed transactions or balances with wholly owned subsidiaries of IPM Eagle LLP.

Transactions entered into with related parties that are not wholly owned by IPM Eagle LLP and balances outstanding with related parties are as follows:

	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
<b>Interest income</b>		
Other related parties	36	243
	<u>36</u>	<u>243</u>
	Year ended 31 December 2017 US\$'000	Year ended 31 December 2016 US\$'000
<b>Interest expense</b>		
Other related parties	1,001	1,473
	<u>1,001</u>	<u>1,473</u>
	31 December 2017 US\$'000	31 December 2016 US\$'000
<b>Amounts owed by related parties</b>		
Subsidiaries	599,278	661,964
Other related parties	8,086	7,050
	<u>607,364</u>	<u>669,014</u>

**Notes to the financial statements  
for the year ended 31 December 2017 (continued)**

**11. Related party disclosures (continued)**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Amounts owed to related parties</b>		
Members	1,871	1,832
Subsidiaries	309,961	367,023
Other related parties	78,892	82,876
	<u>390,724</u>	<u>451,731</u>

Other related parties comprise fellow subsidiaries of ENGIE S.A. not owned by the Partnership.

Loans between related parties are made on an arm's length basis.

**12. Controlling party**

The Partnership was controlled by IPM Eagle LLP, the registered address of which is Level 20, 25 Canada Square, London E14 5LQ, United Kingdom.

The Members consider the Partnership's ultimate parent undertaking and controlling party to be ENGIE S.A. which was incorporated in France and is headquartered in Paris, France and which is the parent undertaking of the largest and smallest group in which the results of the Partnership are consolidated for the year ended 31 December 2017 and the year ended 31 December 2016. 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.

**13. Events after the end of the reporting period**

There have been no significant events since the reporting date which should be considered for a proper understanding of these financial statements.