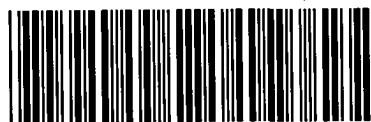


POWERGEN INTERNATIONAL LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the Year Ended 31 December 2016

TUESDAY



A69GE6MG

A05

27/06/2017

#66

COMPANIES HOUSE

Registered No: 03548380

POWERGEN INTERNATIONAL LIMITED
STRATEGIC REPORT
for the Year Ended 31 December 2016

The directors present their strategic report of the Company for the year ended 31 December 2016.

Fair review of the business

Both the level of business during the year and the financial position of the Company at the year end were as expected. At 31 December 2016, the Company had net assets of £796,076,000 (2015: net assets of £795,894,000). Further information regarding the financial position of the Company at the year end is provided in the Directors' Report.

The directors are currently considering the future of the Company.

Principal risks and uncertainties

The key business risks and uncertainties affecting the Company are considered to relate to the valuation of investments held. The management of risks is undertaken at the E.ON SE consolidated ('group') level. Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided within the financial review section of the group's annual report which does not form part of this report.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of E.ON SE, which include those of the Regional Unit UK division of E.ON SE, which includes the Company, are discussed within the financial review section of the group's annual report which does not form part of this report.

Key performance indicators ('KPIs')

The Board of Management of E.ON SE manages the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Regional Unit UK division of E.ON SE, which includes the Company, are discussed within the group's annual report which does not form part of this report. The directors do not believe there are any further relevant KPIs that are not already disclosed within these financial statements.

Approved by the Board of Directors on 14 June 2017 and signed on its behalf by:



D C A Baumber
Director

Powergen International Limited
Company No: 03548380
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

POWERGEN INTERNATIONAL LIMITED
DIRECTORS' REPORT
for the Year Ended 31 December 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016.

Directors of the Company

The directors who held office during the year and up to the date of signing these financial statements are given below:

D C A Baumber (appointed 15 August 2016)
D Gandley (appointed 15 August 2016)
R Matthies (resigned 31 May 2016)
F S Stark (resigned 15 August 2016)
E.ON UK Directors Limited (resigned 15 August 2016)

Principal activity

The Company's principal activity during the year and at the year end was that of an investment holding company. Future developments have been discussed within the strategic report.

Financial risk management

Objectives and policies

The Company, in common with other E.ON SE subsidiaries, must comply with the E.ON SE's group finance guidelines that set out the principles and framework for managing group-wide finances. The Company also utilises the E.ON UK plc operational treasury team which services the treasury requirements of the business. Further information on the E.ON SE group's policies and procedures is available in the financial statements of the E.ON SE group.

E.ON SE's central financing strategy

The operational treasury team employs a continuous forecasting and monitoring process to ensure that the Company complies with all its banking and other covenants that apply to the financing of the business. A group-wide cash forecasting and currency exposure reporting process exists which ensures regular reporting into the UK treasury team. Information is submitted to E.ON SE for incorporation into E.ON SE group forecasting processes on a weekly and quarterly basis.

Liquidity risk

The Company has sufficient committed borrowing facilities to meet planned liquidity needs with headroom, through facilities provided by E.ON UK plc.

Results and dividends

The Company's profit for the financial year is £182,000 (2015: profit of £422,000). No interim dividends were paid during the year (2015: £nil). The directors do not recommend the payment of a final dividend (2015: £nil).

Political donations

No political donations were made during the year (2015: £nil).

Directors' indemnities

The Company maintains liability insurance for its directors and officers. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This insurance cover was in force during the year and is still in force at the date of approving these financial statements.

Disclosure of information to auditors

So far as each of the directors is aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POWERGEN INTERNATIONAL LIMITED
DIRECTORS' REPORT
for the Year Ended 31 December 2016 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and these Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared these financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve these 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 these 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.

Approved by the Board of Directors on 14 June 2017 and signed on its behalf by:



D C A Baumber
Director

Powergen International Limited
Company No: 03548380
Westwood Way
Westwood Business Park
Coventry
CV4 8LG

Independent Auditors' Report to the Members of POWERGEN INTERNATIONAL LIMITED

Report on the financial statements

Our opinion

In our opinion, Powergen International Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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 addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Independent Auditors' Report to the Members of
POWERGEN INTERNATIONAL LIMITED (continued)**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 3, 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 & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

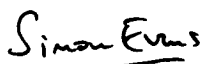
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

Date 14 June 2017

POWERGEN INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Interest receivable and similar income	4	228	529
Profit on ordinary activities before taxation		228	529
Tax on profit on ordinary activities	5	(46)	(107)
Profit for the financial year		182	422

As the Company has no other comprehensive income for the year, a separate statement of comprehensive income has not been presented.

The notes on pages 9 to 12 form part of these financial statements.

POWERGEN INTERNATIONAL LIMITED
BALANCE SHEET
as at 31 December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	6	737,278	737,278
Current assets			
Debtors: amounts falling due within one year	7	69,126	127,254
Creditors: amounts falling due within one year	8	(10,328)	(68,638)
Net current assets		58,798	58,616
Total assets less current liabilities		796,076	795,894
Net assets		796,076	795,894
Capital and reserves			
Called up share capital	9	84,153	84,153
Share premium account		757,372	757,372
Profit and loss account		(45,449)	(45,631)
Total shareholders' funds		796,076	795,894

The financial statements on pages 6 to 12 were approved by the Board of Directors on 14 June 2017 and signed on its behalf by:



D C A Baumber
Director
Powergen International Limited
Company No: 03548380

The notes on pages 9 to 12 form part of these financial statements.

POWERGEN INTERNATIONAL LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2015	84,153	757,372	(46,053)	795,472
Profit for the financial year	-	-	422	422
At 31 December 2015	84,153	757,372	(45,631)	795,894
Profit for the financial year	-	-	182	182
At 31 December 2016	84,153	757,372	(45,449)	796,076

The notes on pages 9 to 12 form part of these financial statements.

POWERGEN INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

1. Accounting policies

General information

The Company acts as an intermediary holding company within the E.ON UK plc group.

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of the Company's registered office is Westwood Way, Westwood Business Park, Coventry, CV4 8LG.

Basis of preparation of financial statements

The Company has prepared these financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). These financial statements have been prepared under the going concern basis, historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

The Company has adopted disclosure exemptions in relation to the following:

- The requirements of paragraphs 10(d) (statement of cashflows), 16 (statement of compliance with all IFRS), 111 (cashflow statement information) and 134-136 (capital management disclosures) of IAS 1 Presentation of Financial Statements
- The requirements of IAS 7 Statement of Cash Flows
- The requirements of Paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- The requirements of Paragraph 17 of IAS 24 Related Party Disclosures (key management compensation)
- The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group
- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Exemption from preparing group financial statements

The Company is a wholly-owned subsidiary undertaking of E.ON SE, the ultimate parent undertaking, and is included in the publicly available consolidated financial statements of E.ON SE. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Foreign currency

These financial statements are presented in Great British Pounds ("GBP") which is the Company's functional currency. All financial information is presented in GBP and has been rounded to the nearest thousand.

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Inter-company balances

Inter-company payable and receivable trading balances within the E.ON SE group are consolidated at each period end into a single balance with each group company. These transactions are net settled. As a result the directors consider it appropriate to present inter-company balances within these financial statements on a net basis. Formal loan balances are settled and presented gross.

POWERGEN INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016 (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

2. Auditors' remuneration

Auditors' remuneration for the audit of these financial statements of £3,000 (2015: £3,000) was borne by E.ON UK plc, the immediate parent undertaking, and not recharged.

3. Employee information

The directors received no emoluments from the Company during the year (2015: £nil) in respect of services to the Company.

4. Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable from group undertakings	228	529

5. Tax on profit on ordinary activities

	2016 £000	2015 £000
Current tax:		
UK corporation tax charge on profits for the year	46	107
Total current tax charge	46	107
Tax charge on profit on ordinary activities	46	107

The tax charge for the year is the same as the profit at the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20.00% (2015: 20.25%).

Reductions to the UK corporation tax rate were included in Finance Act (No. 2) 2015 reducing the main rate to 19% from 1 April 2017. A further reduction in the UK corporation tax rate was included in the Finance Act 2016 to reduce the rate to 17% from 1 April 2020. These changes have been substantively enacted at the balance sheet date and their impact has been included in these financial statements.

The corporation tax payable has been reduced by £46,000 because of group relief received from a fellow group undertaking for which a payment will be made (2015: £107,000).

POWERGEN INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016 (continued)

6. Investments

	2016 £000	2015 £000
Shares in group undertakings and participating interests	<u>737,278</u>	<u>737,278</u>
Shares in group undertakings and participating interests		
		Subsidiary undertakings £000
Cost or valuation		
At 1 January 2016		738,066
At 31 December 2016		738,066
Provision for impairment		
At 1 January 2016		788
At 31 December 2016		788
Net book value		
At 31 December 2016		<u>737,278</u>
At 31 December 2015		<u>737,278</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Details of undertakings

Details of the investments which the Company holds are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal Activity
Direct undertakings			
Ergon Overseas Holdings Limited	Ordinary Shares	100%	Dormant
Powergen Serang Limited	Ordinary Shares	100%	Dormant
Indirect undertakings			
Powergen Holdings B.V.	Ordinary Shares	100%	Holding company
Visioncash	Ordinary Shares	1% voting rights and 100% of A ordinary shares	Dormant

All of the undertakings disclosed above are incorporated in the United Kingdom and have a registered office address of Westwood Way, Westwood Business Park, Coventry, CV4 8LG, save for Powergen Holdings B.V. which is incorporated in the Netherlands and has a registered office address of Coengebouw-suite 8.04, Kabelweg 37, 1014 BA Amsterdam, The Netherlands.

POWERGEN INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016 (continued)

7. Debtors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed by group undertakings	<u>69,126</u>	<u>127,254</u>

Amounts owed by group undertakings include a loan of £65,327,745 (2015: £123,456,395), which is unsecured, bears interest at rate of LIBOR minus 5 basis points and has a maturity date of 31 December 2017.

All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

8. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	<u>10,328</u>	<u>68,638</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9. Called up share capital

	2016 £000	2015 £000
Allotted, called-up and fully paid		
84,152,511 (2015: 84,152,511) Ordinary shares of £1 each	<u>84,153</u>	<u>84,153</u>

10. Ultimate holding company

The Company is controlled by E.ON UK plc. The ultimate parent undertaking and controlling party is E.ON SE, a company incorporated in Germany, which is the parent company of the largest and smallest group to consolidate these financial statements. Copies of E.ON SE's financial statements are available from the offices of E.ON SE at the following address:

E.ON SE
Brüsseler Platz 1
45131 Essen
Germany