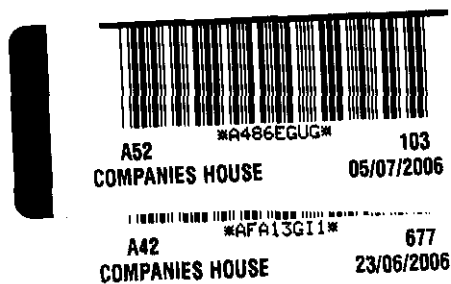


Registered number 2984571

Mayton Wood Energy Limited
Annual report
for the period ended 31 December 2005



Mayton Wood Energy Limited

Annual report for the period ended 31 December 2005

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Mayton Wood Energy Limited

Directors and advisors

Directors

M Miller

M Edwards

Company Secretary

E Oldroyd

Registered office

2nd Floor, The Malt Building

Wilderspool Park

Greenalls Avenue

Warrington

WA4 6HL

Registered Auditors

PricewaterhouseCoopers LLP

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Solicitors

Osborne Clarke

2 Temple Back East

Temple Quay

Bristol

BS1 6EG

Bankers

Barclays Bank PLC

Level 25

One Churchill Place

London

E14 5HP

Mayton Wood Energy Limited

Directors' report for the period ended 31 December 2005

The directors present their report and audited financial statements of the company for the period ended 31 December 2005.

Principal activities

The company's principal activity is the generation of electricity from gas extracted from a landfill site.

Review of business and future developments

During the period the company continued to generate electricity from gas extracted from a landfill site. No change in activities is anticipated in the future.

During the period the company changed its accounting reference date from 31 March to 31 December.

Results and dividend

The profit on ordinary activities before taxation for the period amounted to £210,000 (12 months ended 31 March 2005: £288,000). The directors do not recommend the payment of a dividend (12 months ended 31 March 2005: £nil). The profit for the financial period of £151,000 will be transferred to reserves (12 months ended 31 March 2005: £202,000).

Directors and their interests

The directors who held office during the period are given below:

M Miller	(appointed 20 October 2005)
M Edwards	(appointed 20 October 2005)
HHP Wyndham	(resigned 20 October 2005)
AT West	(resigned 20 October 2005)

A Pentecost resigned as Company Secretary on 20 October 2005 and E Oldroyd was appointed on the same date.

None of the directors who held office at the end of the financial period held any interest in the shares of the company.

Financial instruments

The directors consider that credit risk and foreign exchange risk are relevant in assessing the assets, liabilities, financial position and profits and losses of the company.

The majority of the company's sales are made under fixed price and term contracts so the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

The company's exposure to foreign exchange risk is limited as the company's proportion of total purchases made in foreign currencies is small. The directors will consider hedging requirements should the company's exposure to foreign currency movements increase.

Mayton Wood Energy Limited

Directors' report (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

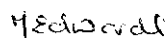
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2005, that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

KPMG resigned as auditors of the company on 9 May 2006. PricewaterhouseCoopers LLP were appointed on the same date.

By order of the board



M Edwards

Director

16 June 2006

Mayton Wood Energy Limited

Independent auditors' report to the members of Mayton Wood Energy Limited

We have audited the financial statements of Mayton Wood Energy Limited for the period ended 31 December 2005 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.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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.

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.

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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
16 June 2006

Mayton Wood Energy Limited

Profit and loss account for the period ended 31 December 2005

	Note	9 months ended 31 December 2005 £'000	12 months ended 31 March 2005 £'000
Turnover	1	536	649
Operating expenses	2	(306)	(327)
Operating profit	3	230	322
Interest payable and similar charges	5	(20)	(34)
Profit on ordinary activities before taxation		210	288
Taxation on profit on ordinary activities	6	(59)	(86)
Profit for the financial period	13	151	202

The company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented.

In the current and prior period the results relate to continuing activities.

Mayton Wood Energy Limited

Balance sheet as at 31 December 2005

	Note	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Fixed assets			
Tangible assets	7	457	487
Current assets			
Debtors	8	280	109
Creditors - amounts falling due within one year	9	(466)	(302)
Net current liabilities		(186)	(193)
Total assets less current liabilities		271	294
Creditors - amounts falling due after more than one year	10	-	(186)
Provisions for liabilities and charges	11	(43)	(31)
Net assets		228	77
Capital and reserves			
Called up share capital	12	62	62
Profit and loss account	13	166	15
Equity shareholders' funds	14	228	77

The financial statements on pages 5 to 13 were approved by the board of directors on 16 June 2006 and were signed on its behalf by:

M Edwards

M Edwards
Director

Mayton Wood Energy Limited

Statement of accounting policies

Principal accounting policies

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Turnover

Turnover, which is wholly derived in the UK, is recognised on generation of electricity at invoiced prices (exclusive of VAT).

The directors are not able to make a reasonable estimate of triad income until notified of the company's entitlement. Accordingly, triad income is recognised in the year in which the company is notified of its entitlement.

Cash flow statement

In accordance with paragraph 5 (a) of FRS 1 (revised 1996), the company is not required to publish a cash flow statement.

Related party transactions

As the company is a subsidiary undertaking, where 90% or more of its voting rights are controlled within the NM Renewable Energy (Holdings 1) Limited Group, it has taken advantage of the exemption permitted by FRS 8 not to disclose any transactions or balances with entities that are part of the NM Renewable Energy (Holdings 1) Limited Group.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided on tangible fixed assets so as to write off the cost, less estimated residual value, of those assets on a straight line basis over their estimated useful economic lives.

Plant and machinery is written off over periods between 12 - 20 years. Assets in the course of construction are not depreciated until commissioned.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Deferred tax

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Mayton Wood Energy Limited

Notes to the financial statements for the period ended 31 December 2005

1 Turnover

Turnover consists entirely of sales made within the United Kingdom.

2 Operating expenses

	9 months ended 31 December 2005 £'000	12 months ended 31 March 2005 £'000
Depreciation	36	48
Other operating charges	270	279
	306	327

Included in other operating charges are management fees payable of £46,000 (12 months ended 31 March 2005: £nil).

3 Operating profit

The operating profit is stated after charging the following:

	9 months ended 31 December 2005 £'000	12 months ended 31 March 2005 £'000
Auditors remuneration:		
Audit services	1	3
Depreciation:		
Owned assets	24	27
Leased assets	12	21

4 Directors' emoluments

The emoluments of the directors are paid by another group company.

Mayton Wood Energy Limited

5 Interest payable and similar charges

	9 months ended 31 December 2005 £'000	12 months ended 31 March 2005 £'000
Interest payable to group undertakings	6	18
Finance lease interest payable	14	16
	20	34

6 Taxation

	9 months ended 31 December 2005 £'000	12 months ended 31 March 2005 £'000
United Kingdom corporation tax at 30% (as at 31 March 2005: 30%)		
- Current period	51	55
- Prior period	(4)	-
Total current taxation	47	55
Deferred taxation charge	12	31
Total taxation	59	86

The tax assessed for the period is different from the standard rate of corporation tax in the UK (30%) (as at 31 March 2005: 30%). The differences are explained below:

	9 months ended 31 December 2005 £'000	12 months ended 31 March 2005 £'000
Profit on ordinary activities before taxation	210	288
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (as at 31 March 2005: 30%)	63	86
Effects of:		
Accelerated capital allowances and other timing differences	(12)	(31)
Adjustments in relation to prior periods	(4)	-
Current tax	47	55

Mayton Wood Energy Limited

7 Tangible fixed assets

	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost			
As at 1 April 2005	1,117	-	1,117
Additions	5	1	6
As at 31 December 2005	1,122	1	1,123
Accumulated depreciation			
As at 1 April 2005	630	-	630
Charge for the period	36	-	36
As at 31 December 2005	666	-	666
Net book value			
As at 31 December 2005	456	1	457
As at 31 March 2005	487	-	487

Included in the total net book value of plant and machinery is an amount of £nil (as at 31 March 2005: £263,000) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £14,000 (12 months ended 31 March 2005: £21,000).

8 Debtors

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Trade debtors	121	61
Prepayments and accrued income	25	48
Amounts due from group undertakings	134	-
	280	109

Mayton Wood Energy Limited

9 Creditors - amounts falling due within one year

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Trade creditors	80	36
Accruals and deferred income	45	18
Amounts owed to group undertakings	232	165
Corporation tax payable	109	63
Obligations under finance leases and hire purchase contracts	-	20
	466	302

10 Creditors - amounts falling due after more than one year

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Obligations under finance leases and hire purchase contracts	-	186

Obligations under finance leases and hire purchase contracts can be analysed as falling due:

In one year or less, or on demand	-	20
Between one and two years	-	22
Between two and five years	-	78
In five years or more	-	86
	-	206

Mayton Wood Energy Limited

11 Deferred tax provision

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Deferred tax provision at the beginning of the period	31	-
Charge for the period	12	31
Deferred tax provision at the end of the period	43	31

Analysis of deferred tax balance:

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Accelerated capital allowances	43	31

12 Called up share capital

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Authorised		
10,000 ordinary shares of £1 each	10	10
60,000 preferred ordinary shares of £1 each	60	60
	70	70
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10	10
52,482 preferred ordinary shares of £1 each	52	52
	62	62

The principal features of each class of share are as follows:

The 'preferred ordinary shares' are entitled to receive in priority to any other class of shares any dividend paid out of the profits of the company.

In a return of capital in respect of the amount paid up on each share, the preferred ordinary shares rank above the ordinary shares. Any premium shall be distributed to the holders of the preferred ordinary shares only.

The shares have equal voting rights.

Mayton Wood Energy Limited

13 Reserves

	Profit and loss account £'000
As at 1 April 2005	15
Profit for the financial period	151
As at 31 December 2005	166

14 Reconciliation of movements in shareholders' funds/(deficit)

	As at 31 December 2005 £'000	As at 31 March 2005 £'000
Profit for the financial period	151	202
Opening shareholders' funds/(deficit)	77	(125)
Closing shareholders' funds	228	77

15 Related party transactions

The group's immediate parent company Novera Macquarie Renewable Energy Joint Venture Limited is a joint venture between Novera Energy Limited and Macquarie International Infrastructure Fund Limited, each with equal control. Consequently these companies and their groups are related parties to Mayton Wood Energy Limited. There were no material transactions which took place during the period and no balances outstanding at 31 December 2005 (as at 31 March 2005: £nil).

16 Ultimate parent undertaking

The immediate parent undertaking is Novera Energy Generation No. 3 Limited, registered in the United Kingdom.

The ultimate parent undertaking of the company up to 22 October 2005, the date the immediate parent company and its subsidiary undertakings were acquired, was Arbutus Energy Limited, a company incorporated and registered in Jersey. Arbutus Energy Limited does not prepare consolidated financial statements.

From the date of acquisition, NM Renewable Energy (Holdings 1) Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements, copies of which can be obtained from the registered office: 2nd Floor, The Malt Building, Wilderspool Park, Greenalls Avenue, Warrington, Cheshire WA4 6HL.

The immediate parent undertaking of NM Renewable Energy (Holdings 1) Limited is Novera Macquarie Renewable Energy Joint Venture Limited, registered in Bermuda.

Novera Macquarie Renewable Energy Joint Venture Limited is an equally controlled joint venture between Novera Energy Limited, registered in Australia and Macquarie International Infrastructure Fund Limited, registered in Singapore.