

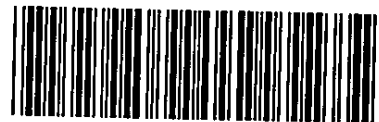
Mayton Wood Energy Limited

Directors' report and financial statements

Registered number 02984571

Year ended 31 March 2012

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Directors' report

The directors (the "Directors") present their Directors' report and audited financial statements for Mayton Wood Energy Limited (the "Company") for the year ended 31 March 2012

Principal activities

The principal activity of the Company is the generation of electricity from gas extracted from a landfill site

Review of business

The key performance indicators of the Company are the revenue and operating profit of its site which are £440,000 (2011 £491,000) and £26,000 (2011 £278,000) respectively, 10% lower and 90% lower than the prior year. The non-financial key performance indicator is the level of electricity generation which was 4,384 MWh for the year (2011 5,049 MWh), representing a 13% reduction on the prior year.

UK Government legislation regarding renewables and the future pricing thereof and relationships with the site owners

Future developments

No change in activities is anticipated in the future

Financial risk management

The Company's operations expose it to a variety of financial risks including

(a) Market risk

The electricity generated is supplied under short-term contractual arrangements at prices agreed with the offtaker

(b) Economic risk

Renewable energy businesses are supported through the UK Government's renewable energy targets legislation. The group of companies of which the Company forms part actively promotes initiatives with Government in relation to developing sustainable energy projects. Successful involvement in such initiatives aids in presenting to Government bodies the concept that renewable energy can be a viable alternative to other methods of generating energy and aids in maintaining their future support. Future amendment of such legislation may either benefit or detract from the Company's profitability.

(c) Credit risk

Although the Company has only one customer the credit risk is deemed to be low as the customer is a UK utility with a strong credit rating.

(d) Liquidity: including cash flow and interest rate risk

The Company is not exposed to significant liquidity risk.

Results and dividend

The operating profit for the financial year amounted to £26,000 (2011 £278,000). The loss for the financial year of £37,000 (2011 £218,000 profit) will be taken to reserves. The Directors do not recommend the payment of a dividend (2011 £nil).

Directors' report *(continued)*

Charitable and political donations

The Company made no political donations or incurred any political expenditure during the financial year (2011 £nil)
There were no charitable donations made during the year (2011 £nil)

Directors

The Directors of the Company during the year and up to the date of signing the accounts were as follows

E P M Machiels
S N Hardman
S C Gibbins
P J Gregson
G A Boyd (appointed 12 March 2012)
E J Aikman (resigned 12 March 2012)

Statement of disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Directors indemnity and insurance

An associated company has granted an indemnity to certain current Directors under which the associated company will indemnify them, subject to the terms of the deed of indemnity, against any liability or losses or expenses incurred by them in the performance of their duties. These are qualifying third party indemnity provisions for the purposes of the Companies Act 2006

The Company has also arranged directors' and officers' liability insurance

Auditor

In accordance with section 487 of the Companies Act 2006 KPMG LLP (a) was deemed to be reappointed as auditor of the Company for the financial year ended 31 March 2012 at the end of the last period for appointing auditors and (b) is expected to be deemed to be reappointed as auditor of the Company for the financial year ended 31 March 2013 at the end of the next period for appointing auditors

On behalf of the board



G A Boyd
Director

500 Pavilion Drive, Northampton Business Park,
Northampton, NN4 7YJ

Statement of Directors' responsibilities in respect of the Directors' report and 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 year. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 Mayton Wood Energy Limited

We have audited the financial statements of Mayton Wood Energy Limited for the year ended 31 March 2012 set out on pages 5 to 12. 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 auditor

As explained more fully in the Directors' responsibilities statement 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 and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2012 and of its loss 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 matters 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

 17 August 2012

Ian Griffiths

(Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

United Kingdom

Profit and loss account

for the year ended 31 March 2012

| | Note | 2012 £'000 | 2011 £'000 |
|---|------|---------------|---------------|
| Turnover | 2 | 440 | 491 |
| Operating expenses | | (414) | (213) |
| Operating profit | 3 | 26 | 278 |
| Interest payable and similar charges | 6 | (30) | (30) |
| (Loss)/profit on ordinary activities before taxation | | (4) | 248 |
| Taxation charge on (loss)/profit on ordinary activities | 7 | (33) | (30) |
| (Loss)/profit for the financial year | 13 | (37) | 218 |

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

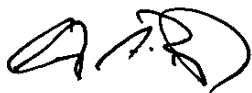
In the current and prior year all of the results relate to continuing activities

Balance sheet

at 31 March 2012

| | Note | 2012 £'000 | 2011 £'000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 8 | 389 | 701 |
| Current assets | | | |
| Inventory | | - | 64 |
| Debtors | 9 | 2,809 | 1,819 |
| | | 2,809 | 1,883 |
| Creditors: amounts falling due within one year | 10 | (1,797) | (1,151) |
| Net current assets | | 1,012 | 732 |
| Total assets less current liabilities | | 1,401 | 1,433 |
| Provisions for liabilities and charges | 11 | (15) | (10) |
| Net assets | | 1,386 | 1,423 |
| Capital and reserves | | | |
| Called up share capital | 12 | 62 | 62 |
| Profit and loss account | 13 | 1,324 | 1,361 |
| Equity shareholder's funds | 14 | 1,386 | 1,423 |

The financial statements were approved by the board of Directors on 23 July 2012 and were signed on its behalf by



G A Boyd
Director
Company registration no. 02984571

Notes (forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently throughout the year is set out below.

Cash flow statement

The Company is a wholly-owned subsidiary of the group headed by Infinis Holdings (the "Infinis Holdings Group") and is included in the consolidated financial statements of Infinis Holdings. Consequently, in accordance with paragraph 5 (a) of FRS 1 (revised 1996) the Company is not required to publish a cash flow statement.

Related party exemption

As the Company is a wholly-owned subsidiary of the Infinis Holdings Group, 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 Infinis Holdings Group. The consolidated financial statements of Infinis Holdings can be obtained from the address given in note 17.

Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied exclusive of value added tax and trade discounts.

Revenue generated from landfill gas operations is recognised where there is a signed unconditional contract of sale and at the contracted rate on the date of generation.

Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes.

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.

Fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery 3 - 15 years

Assets in the course of construction are not depreciated until commissioned.

Notes (continued)

2 Turnover

Turnover consists entirely of sales made within the United Kingdom

3 Operating profit

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| Operating profit is stated after charging | | |
| Depreciation of fixed assets | 104 | 83 |

4 Auditor's remuneration

| | 2012 £'000 | 2011 £'000 |
|------------------------|---------------|---------------|
| Auditor's remuneration | 3 | 3 |

5 Directors' emoluments and employees

None of the Directors received any remuneration or benefits from the Company during the current or prior year nor are they employees of the Company. The Company had no employees in either the current or prior year.

6 Interest payable and similar charges

| | 2012 £'000 | 2011 £'000 |
|-------------------------------------|---------------|---------------|
| Interest payable to group companies | (30) | (30) |

Notes (continued)

7 Taxation

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| United Kingdom corporation taxation at 26% (2011 28%) | | |
| Current tax charge in respect of current year | 7 | 56 |
| Adjustment in respect of prior years | 21 | - |
| Total current tax charge | 28 | 56 |
| Analysis of deferred tax (credit)/charge | | |
| Origination/reversal of timing differences | (6) | 13 |
| Adjustment in respect of prior years | 12 | (38) |
| Adjustment in respect of rate change | (1) | (1) |
| Total deferred taxation charge/(credit) | 5 | (26) |
| Total taxation charge | 33 | 30 |

The tax assessed for the year is different from the standard rate of corporation tax in the UK 26% (2011 28%)
 The differences are explained below

| | 2012 £'000 | 2011 £'000 |
|---|---------------|---------------|
| (Loss)/profit on ordinary activities before taxation | (4) | 248 |
| (Loss)/profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 26% (2011 28%) | (1) | 69 |
| Effects of | | |
| Expenses not deductible for tax purposes | 2 | - |
| Fixed asset timing differences | 6 | (13) |
| Adjustment to tax charge in respect of prior years | 21 | - |
| Current tax charge | 28 | 56 |

The 2011 Budget on 23 March 2011 announced a reduction in the main rate of Corporation Tax of 28% over a period of 4 years from 1 April 2011. The rate was expected to reduce from 28% to 23% over this period. The first reduction from 28% to 26% was substantively enacted on 29 March 2011 and was reflected in the deferred tax figures used in the Company's 2011 financial statements.

The 2012 Budget on 21 March 2012 announced a further reduction in the main rate of Corporation Tax to 22% over a period of 3 years from 1 April 2012. The reduction in the main rate to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This rate change has therefore been reflected in the deferred tax figures of these financial statements.

These changes to the Corporation Tax rates should reduce the Company's future tax charge.

Notes (continued)

8 Tangible assets

| | Plant and machinery £'000 | Assets under construction £'000 | Total £'000 |
|--|---------------------------------|--|----------------|
| Cost | | | |
| At 1 April 2011 | 1,409 | 22 | 1,431 |
| Intragroup transfers | (208) | - | (208) |
| Transfers | 22 | (22) | - |
| At 31 March 2012 | 1,223 | - | 1,223 |
| Accumulated depreciation | | | |
| At 1 April 2011 | 730 | - | 730 |
| Charge for the year | 104 | - | 104 |
| At 31 March 2012 | 834 | - | 834 |
| Net book value at 31 March 2012 | 389 | - | 389 |
| Net book value at 31 March 2011 | 679 | 22 | 701 |

9 Debtors

| | 2012 £'000 | 2011 £'000 |
|------------------------------------|---------------|---------------|
| Trade debtors | - | 51 |
| Amounts owed by group undertakings | 2,711 | 1,644 |
| Prepayments and accrued income | 98 | 124 |
| | 2,809 | 1,819 |

Notes (continued)

10 Creditors - amounts falling due within one year

| | 2012 | 2011 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Trade creditors | - | 23 |
| Amounts owed to group undertakings | 1,623 | 1,027 |
| Accruals and deferred income | 90 | 45 |
| Corporation tax creditor | 84 | 56 |
| | <u>1,797</u> | <u>1,151</u> |

The corporation tax creditor of £84,000 (2011 £56,000) relates to group relief payable

11 Provisions for liabilities and charges

| | Deferred taxation £'000 |
|--|-------------------------------|
| At 1 April 2011 | 10 |
| Charge to the profit and loss for the year | 5 |
| At 31 March 2012 | <u>15</u> |

12 Called up share capital

| | 2012 | 2011 | 2012 | 2011 |
|---|---------------|---------------|-----------|-----------|
| | Number | Number | £'000 | £'000 |
| Allotted, called up and fully paid | | | | |
| Ordinary shares of £1 each | 10,000 | 10,000 | 10 | 10 |
| Preferred ordinary shares of £1 each | 52,482 | 52,482 | 52 | 52 |
| | <u>62,482</u> | <u>62,482</u> | <u>62</u> | <u>62</u> |

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 once declared and approved by the members

On 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

Notes (continued)

13 Reserves

| | Profit and loss account £'000 |
|-----------------------------|-------------------------------------|
| At 1 April 2011 | 1,361 |
| Loss for the financial year | (37) |
| At 31 March 2012 | <u>1,324</u> |

14 Reconciliation of movements in equity shareholder's funds

| | 2012 £'000 | 2011 £'000 |
|--------------------------------------|---------------|---------------|
| Opening equity shareholder's funds | 1,423 | 1,205 |
| (Loss)/profit for the financial year | (37) | 218 |
| Closing equity shareholder's funds | <u>1,386</u> | <u>1,423</u> |

15 Contingent liabilities

The Company is a member of a group VAT registration and as such has contingent liabilities for VAT in respect of other members of the VAT group

16 Related parties

Terra Firma Investments (GP) 2 Limited, acting as a general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L P – H and TFCP II Co-Investment I L P ("Terra Firma"), has the ability to exercise a controlling influence through the holding of shares in a parent company. The Directors therefore consider Terra Firma to be a related party.

Infinis Holdings has the ability to exercise a controlling influence over the Company and other subsidiary undertakings. Consequently the Directors also consider these subsidiary undertakings to be related parties.

17 Ultimate and immediate parent undertaking

The Directors regard Terra Firma Holdings Limited, a company registered in Guernsey, as the ultimate parent entity. The ultimate controlling party is Guy Hands.

There were no transactions between the Company and Terra Firma Holdings Limited during the year.

Novera Energy Generation No. 3 Limited is the immediate parent company but it does not prepare consolidated accounts.

The head of the smallest group for which consolidated financial statements are prepared and of which the Company is a member is Novera Energy (Holdings 2) Limited. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.

The head of the largest group for which consolidated financial statements are prepared and of which the Company is a member is Infinis Holdings. The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor, 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ.