

Mayton Wood Energy Limited

Directors' report and financial statements

Registered number 02984571

15 month period ended 31 March 2010

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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 15 month period ended 31 March 2010

Principal activities

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

Review of business

The accounting reference period ending on 31 December 2009 was extended so as to end on 31 March 2010

The Company has had a profitable period, however the output from the generation of electricity from gas extracted from the landfill site was below prior year

The key performance indicators of the Company are the revenue and operating profit of the site which increased by 3.8% and 14.3%, respectively, compared to prior year on a pro rata basis

The principal risks and uncertainties faced by the Company are in relation to availability of landfill gas at the site, UK Government legislation regarding renewables and the relationship 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 that include the effects of changes in debt market prices, liquidity risk and interest rate risk. The group of companies of which the Company forms part has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs

(a) Market risk

The majority of electricity generated is supplied under contractual arrangements which are either fixed price or fully or partially RPI index inflated. The remainder of electricity generated is sold at market related prices which are subject to market fluctuations

(b) Economic risk

Renewable energy businesses are supported through the UK Government's renewable energy targets legislation. The Company 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

The Company has no significant concentrations of credit risk and no credit limits were exceeded during the financial period

(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 period amounted to £697,000 (year ended 31 December 2008: £488,000). The profit for the period of £646,000 (year ended 31 December 2008: £472,000) will be transferred to reserves. The Directors do not recommend the payment of a dividend (year ended 31 December 2008: £nil)

Directors' report *(continued)*

Charitable and political donations

The Company made no political donations or incurred any political expenditure during the financial period (year ended 31 December 2008 £nil). There were no charitable donations made during the period (year ended 31 December 2008 £nil).

Directors

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

R Quinlan	(resigned 15 June 2009)
D Fitzsimmons	(resigned 1 October 2009)
R Round	(appointed 3 August 2009, resigned 8 December 2009)
J Hewson	(appointed 1 October 2009 resigned 23 February 2010)
E J Aikman	(appointed 23 February 2010)
S Gibbins	(appointed 23 February 2010)
S Hardman	(appointed 23 February 2010)
E Machiels	(appointed 23 February 2010)
P Gregson	(appointed 26 October 2010)

Statement of disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

PricewaterhouseCoopers LLP resigned as auditors of the Company on 17 March 2010 pursuant to section 516 of the Companies Act 2006.

On 8 December 2010 the Directors appointed KPMG LLP as auditors of the Company to fill the casual vacancy in accordance with section 485(3) of the Companies Act 2006. On 8 December 2010 the Company's members re-appointed KPMG LLP as auditors of the Company pursuant to section 485 of the Companies Act 2006.

By order of the board



E J Aikman
Director

500 Pavilion Drive Northampton Business Park,
Northampton, NN4 7YJ
20 December 2010

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

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

We have audited the financial statements of Mayton Wood Energy Limited for the 15 month period ended 31 March 2010 set out on pages 5 to 13. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 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 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 web-site at www.frc.org.uk/apb/scope/UKNP.

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 2010 and of its profit for the period 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 period 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

 21/12/10

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 15 month period ended 31 March 2010

	Note	15 month period ended 31-Mar-10 £'000	Year ended 31-Dec-08 £'000
Turnover	2	1,068	823
Operating expenses	3	(371)	(335)
Operating profit	4	697	488
Interest payable and similar charges	6	(38)	(30)
Profit on ordinary activities before taxation		659	458
Taxation (charge) / credit on profit on ordinary activities	7	(13)	14
Profit for the financial period	13	646	472

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 period and prior year the results relate to continuing activities

There is no material difference between the profit on ordinary activities before taxation and the profit for the periods stated above and their historical costs equivalents

Balance sheet

at 31 March 2010

	Note	As at 31-Mar-10 £'000	As at 31-Dec-08 £'000
Fixed assets			
Tangible assets	8	655	498
Current assets			
Debtors	9	709	1,003
Creditors: amounts falling due within one year	10	(123)	(919)
Net current assets		586	84
Total assets less current liabilities		1,241	582
Provisions for liabilities and charges	11	(36)	(23)
Net assets		1,205	559

Capital and reserves

Called up share capital	12	62	62
Profit and loss account	13	1,143	497
Equity shareholders' funds	14	1,205	559

The financial statements on pages 5 to 13 were approved by the board of Directors on 8 December 2010 and were signed on its behalf by



E J Aikman
Director

Company registration no. 02984571

Notes to the financial statements for the 15 month period ended 31 March 2010

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 period, is set out below.

Turnover

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

The Directors are not able to make a reliable estimate of triad income until notified of the Company's entitlement. Accordingly, triad income is recognised in the period in which the Company is notified of its entitlement.

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 (and previously Novera Energy plc (now Novera Energy Limited) prior to its acquisition by a member of the Infinis Holdings Group). 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 transactions

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 (and previously Novera Energy plc (now Novera Limited), prior to its acquisition by a member of the Infinis Holdings Group). The consolidated financial statements of Infinis Holdings can be obtained from the address given in note 16.

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 3 - 15 years. Assets in the course of construction are not depreciated until commissioned.

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.

Notes to the financial statements for the 15 month period ended 31 March 2010 *(continued)*

2 Turnover

Turnover consists entirely of sales made within the United Kingdom

3 Operating expenses

	15 month period ended 31-Mar-10 £'000	Year ended 31-Dec-08 £'000
Depreciation	82	53
Management fee	50	66
Other operating charges	239	216
	371	335

4 Operating profit

The operating profit is stated after charging the following

	15 month period ended 31-Mar-10 £'000	Year ended 31-Dec-08 £'000
Auditors' remuneration		
Auditors of the Company's financial statements	1	1
Depreciation	82	53

The auditors' remuneration is included within the management fee charged from another group company

5 Directors' emoluments and employees

None of the Directors received any remuneration or benefits from the Company during the 15 month period ended 31 March 2010. None of the Directors are employees of the Company nor are they remunerated for their services as a Director of the Company by the Company. The Company had no employees during the period.

Prior to the change of parent company in November 2009, the emoluments of the Directors were paid by Novera Energy plc (now Novera Energy Limited).

From December 2009 all Directors' emoluments were paid by Infinis plc (formerly Infinis Limited), an Infinis Holdings Group company.

Notes to the financial statements for the 15 month period ended 31 March 2010 *(continued)*

6 Interest payable and similar charges

	15 month period ended 31-Mar-10 £'000	Year ended 31-Dec-08 £'000
Interest receivable from group undertakings	38	30

7 Taxation

	15 month period ended 31-Mar-10 £'000	Year ended 31-Dec-08 £'000
United Kingdom corporation taxation at 28% (2008 28.5%)		
Total current taxation	-	-
Deferred taxation charge / (credit)		
- Current period	20	(14)
- Prior year	(7)	-
Total deferred tax charge / (credit)	13	(14)
Total taxation charge / (credit)	13	(14)

The tax assessed for the period is different from the standard rate of corporation tax in the UK (28%) (2008 28.5%). The differences are explained below

	15 month period ended 31-Mar-10 £'000	Year ended 31-Dec-08 £'000
Profit on ordinary activities before taxation	659	458
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	185	131
Effects of		
Depreciation in excess of accelerated capital allowances	(21)	14
Group relief claimed	(164)	(145)
Current tax	-	-

Notes to the financial statements for the 15 month period ended 31 March 2010 *(continued)*

8 Tangible fixed assets

	Plant and machinery £'000	Assets under construction £'000	Total £'000
Cost			
As at 1 January 2009	966	97	1 063
Additions	-	239	239
Transfers	106	(106)	-
As at 31 March 2010	1,072	230	1,302
Accumulated depreciation			
As at 1 January 2009	565	-	565
Charge for the period	82	-	82
As at 31 March 2010	647	-	647
Net book value as at 31 March 2010	425	230	655
Net book value as at 31 December 2008	401	97	498

9 Debtors

	As at 31-Mar-10 £'000	As at 31-Dec-08 £'000
Trade debtors	144	153
Prepayments and accrued income	1	4
Amounts due from group undertakings	564	846
	709	1,003

Notes to the financial statements for the 15 month period ended 31 March 2010 *(continued)*

10 Creditors – amounts falling due within one year

	As at 31-Mar-10 £'000	As at 31-Dec-08 £'000
Trade creditors	43	47
Accruals and deferred income	53	67
Amounts owed to group undertakings	-	793
Other creditors	27	12
	123	919

11 Provisions for liabilities and charges

	Deferred tax £'000
Deferred tax provision at the beginning of the period	23
Charge for the period	13
Deferred tax provision at the end of the period	36

Analysis of deferred tax balance:

	As at 31-Mar-10 £'000	As at 31-Dec-08 £'000
Accelerated capital allowances	36	23

Notes to the financial statements for the 15 month period ended 31 March 2010 *(continued)*

12 Called up share capital

	As at 31-Mar-10 £'000	As at 31-Dec-08 £'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 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

13 Reserves

	Profit and loss account £'000
As at 1 January 2009	497
Profit for the financial period	646
As at 31 March 2010	1,143

Notes to the financial statements for the 15 month period ended 31 March 2010 *(continued)*

14 Reconciliation of movements in shareholders' funds

	As at 31-Mar-10 £'000	As at 31-Dec-08 £'000
Profit for the financial period	646	472
Opening equity shareholders' funds	559	87
Closing equity shareholders' funds	1,205	559

15 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.

16 Ultimate and immediate parent undertaking

The Directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity.

The previous ultimate parent undertaking of the Company was Novera Energy Limited (formerly Novera Energy Plc) ("Novera"). Novera was acquired by an indirect subsidiary of Infinis Holdings on 27 November 2009.

There were no transactions between the Company and TFCP Holdings Limited during the period.

Novera Energy Generation No. 3 Limited is the immediate parent company and does not produce consolidated financial statements.

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.