CLP Envirogas

Bellhouse Energy Limited

Annual report and financial statements

for the year ended 31 March 2010

Registered number 03466081

Directors and advisers

Directors
H H P Wyndham
E J Wilkinson

Secretary
Eversecretary Limited
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers
Fortis Bank SA
5 Aldermanbury Square
London
EC2V 7HR

Registered office
Units 14 & 15 Queensbrook
Bolton Technology Exchange
Spa Road
Bolton
BL1 4AY

Directors' report for the year ended 31 March 2010

The directors present their report and the audited financial statements for the company for the year ended 31 March 2010

Principal activities and business review

The principal activity of the company is the generation of electricity from landfill gas

Results and dividends

The profit for the financial year amounted to £393,558 (2009 £246,686)

The directors do not recommend the payment of a dividend (2009 £nil)

Directors

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

E J Wilkinson
H H P Wyndham

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of the group and are not managed separately The group has an agreed formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risks on a regular basis Further discussion of group wide risks is provided within the directors' report of MEIF LG Holding Limited which does not form part of this report

Key performance indicators

The directors of MEIF LG Holding Limited manage the group's operations on a group wide basis For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Bellhouse Energy Limited The development, performance and position of MEIF LG Holding Limited, which includes this company, is discussed in the group's annual report which does not form part of this report

Financial risk management

Given that the status of the company is that of a small trading company providing services to CLPE Projects 1 Limited, its parent company, it is exposed to limited financial risks Those financial risks the group faces have been disclosed within the financial statements of MEIF LG Holding Limited for the year ended 31 March 2010 Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board The policies set by the board of directors are implemented by the finance department of MEIF LG Holding Limited

Directors' report for the year ended 31 March 2010

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 judgements and accounting 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,
- 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 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

Statement of 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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next meeting of the board of directors

By order of the board

E J Wilkinson
Director

16 August 2010

Independent auditors' report

to the members of Bellhouse Energy Limited

We have audited the financial statements of Bellhouse Energy Limited for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

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 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 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

Scope of the audit of the financial statements

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

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 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

Opinion on other matter 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

Independent auditors' report

to the members of Bellhouse Energy Limited

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

Nicholas Stevenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

16 August 2010

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £	2009 £
Turnover	2	**939,778**	732,438
Cost of sales		**(499,154)**	(359,085)
Gross profit		**440,624**	373,353
Administrative expenses		**(22,465)**	(35,992)
Profit on ordinary activities before taxation	3	**418,159**	337,361
Tax on profit on ordinary activities	5	**(24,602)**	(90,675)
Profit for the financial year	11	**393,558**	246,686

All items dealt with in the profit and loss account above relate to continuing operations

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

The company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been prepared

Balance Sheet
as at 31 March 2010

	Notes	*2010* £	*2009* £
Fixed assets			
Tangible assets	6	**311,090**	392,514
Current assets			
Debtors	7	**2,196,479**	1,692,168
Creditors amounts falling due within one year	8	**(235,416)**	(162,718)
Net current assets		**1,961,063**	1,529,450
Total assets less current liabilities		**2,272,153**	1,921,964
Provisions for liabilities and charges	9	**(50,671)**	(94,040)
Net assets		**2,221,482**	1,827,924
Capital and reserves			
Called up share capital	10	**10,000**	10,000
Profit and loss account	11	**2,211,482**	1,817,924
Total shareholders' funds	12	**2,221,482**	1,827,924

The financial statements on pages 6 to 15 were approved by the board of directors on 16 August 2010 and were signed on its behalf by

E J Wilkinson
Director

Registered number 03466081

Notes to the financial statements

for the year ended 31 March 2010

1. Accounting policies

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 1, "Cash flow statements (revised 1996)", from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Group relief

Amounts receivable/payable in respect of tax losses surrendered to/by group companies are recognised in the year in which the losses are surrendered

Turnover

Turnover represents the invoiced value of goods and services for electricity supplied, net of value added tax and trade discounts Turnover is recognised when electricity generated is exported to third party customers

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Finance costs incurred during the development stage of a project are capitalised, along with site preparation costs, installation costs and connection costs Once the project is commissioned, these costs are depreciated over the estimated useful economic life of the asset constructed

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives from commissioning using the straight line basis The expected useful lives of the assets to the business are reassessed periodically in the light of experience

Straight line annual rates of depreciation most widely used are

Plant and machinery	6 67% and 20%

Notes to the financial statements

for the year ended 31 March 2010

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date

Financial instruments

As the company has not elected to adopt FRS 26, "Financial Instruments Recognition and Measurement", it is entitled to, and has claimed exemption from, the disclosure requirements of FRS 25, "Financial Instruments Disclosure and Presentation" Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument

Trade debtors

Trade debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts

Trade creditors

Trade creditors are not interest bearing and are stated at their nominal value

Financial liabilities

Financial liabilities instruments are classified according to the substance of the contractual arrangements entered into

Equity interests

An equity interest is any contract that gives a residual interest in the assets of the company after deducting all of its liabilities Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

2. Turnover

Turnover arises solely from the company's principal activities in the United Kingdom, net of value added tax

Notes to the financial statements

for the year ended 31 March 2010

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation are stated after charging

	2010	*2009*
	£	*£*
Auditors' remuneration – for audit services	**1,778**	3,898
Depreciation of tangible fixed assets	**81,424**	107,349

4. Employee information

The company paid no remuneration or wages to its directors and had no other employees during the year

5. Taxation

a) Analysis of charge in the year

	2010	*2009*
	£	*£*
Current tax		
Group relief payable	**130,775**	124,519
Adjustments in respect of prior periods	**(62,804)**	(4,119)
Total current tax	**67,971**	120,400
Deferred tax		
Origination and reversal of timing differences	**(13,690)**	(30,058)
Adjustments in respect of prior periods	**(29,679)**	333
Total deferred tax (note 9)	**(43,369)**	(29,725)
Tax on profit on ordinary activities	**24,602**	90,675

Notes to the financial statements

for the year ended 31 March 2010

5. **Taxation** (continued)

b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs to the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below

	2010	*2009*
	£	*£*
Profit on ordinary activities before tax	**418,159**	337,361
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28% (2009 28%)	**117,085**	94,461
Effects of		
Depreciation in excess of capital allowances	**13,690**	30,058
Adjustments in respect of prior periods	**(62,804)**	(4,119)
Total current tax	**67,971**	120,400

c) Factors that may affect future charges

Announcements were made after the balance sheet date to changes in tax rates that will have an effect on future tax charges of the company The change in the corporation tax rate from 28% to 24% reducing by 1% per annum has been announced but not substantively enacted

Notes to the financial statements

for the year ended 31 March 2010

6. Tangible fixed assets

	Plant and Machinery
	£
Cost	
At 31 March 2010 and 1 April 2009	**1,184,857**
Depreciation	
At 1 April 2009	792,343
Charge for the year	81,424
At 31 March 2010	**873,767**
Net book value	
At 31 March 2010	**311,090**
At 31 March 2009	392,514

7. Debtors

	2010	*2009*
	£	*£*
Trade debtors	**13,141**	59,587
Amounts due from parent undertaking	**1,962,091**	1,540,127
Corporation tax	**1,290**	4,112
Prepayments and accrued income	**219,957**	88,342
	2,196,479	1,692,168

The amounts due from parent undertaking are unsecured, do not bear interest, and are repayable on demand

Notes to the financial statements

for the year ended 31 March 2010

8 Creditors: amounts falling due within one year

	2010	*2009*
	£	£
Amounts due to parent undertaking	**-**	5,790
Amounts due to group undertakings for group relief	**193,779**	124,519
Other taxes and social security	**1,957**	7,772
Accruals and deferred income	**39,680**	24,637
	235,416	162,718

The amounts due to parent and group undertakings are unsecured, do not bear interest, and are repayable on demand

9. Provision for liabilities and charges

Deferred taxation

	2010	*2009*
	£	£
Provision for deferred tax comprises		
Accelerated capital allowances	**50,671**	94,040

At 1 April	**94,040**	123,765
Deferred taxation credit in profit and loss account for year (note 5(a))	**(43,369)**	(29,725)
At 31 March	**50,671**	94,040

Notes to the financial statements

for the year ended 31 March 2010

10. Called up share capital

	2010	*2009*
	£	*£*
Authorised		
10,000 (2009 10,000) "O" ordinary shares of £1 each	**10,000**	10,000
Allotted, issued, called up and fully paid		
10,000 (2009 10,000) "O" ordinary shares of £1 each	**10,000**	10,000

11. Profit and loss account

	Profit and loss account
	£
At 1 April 2009	1,817,924
Profit for the financial year	393,558
At 31 March 2010	**2,211,482**

12. Reconciliation of movements in total shareholders' funds

	2010	*2009*
	£	*£*
Profit for the financial year	**393,558**	246,686
Opening total shareholders' funds	**1,827,924**	1,581,238
Closing total shareholders' funds	**2,221,482**	1,827,924

13. Contingent liabilities

At 31 March 2010 the company was guarantor with other group companies, of loans totalling £91,465,000 (2009 £93,246,000), made by the group's bankers

14. Related party transactions

The company has taken advantage of the exemption given by FRS 8, "Related party disclosures", to subsidiary undertakings, 100% of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties

Notes to the financial statements

for the year ended 31 March 2010

15. Ultimate parent and controlling company

CLPE Projects 1 Limited is the immediate parent undertaking and Macquarie European Infrastructure Fund LP (an English limited partnership with its registered office at PO Box 60, Carinthia House, 9-12 The Grange, St Peter Port, Guernsey, GY1 4BF) is the ultimate parent undertaking

MEIF LG Energy Limited is the holding company of the smallest group of undertakings for which group accounts are drawn up and Macquarie European Infrastructure Fund LP is the holding company of the largest group of undertakings for which group accounts are drawn up Copies of these financial statements are available from the address above