CLP Envirogas

Whinney Hill Energy Limited

Report and financial statements

for the year ended 31 March 2009

Registered number: 03466084

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
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 2009

The directors present their report and the audited financial statements for the company for the year ended 31 March 2009.

Principal activities and business review

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

Results and dividends

The loss for the financial year amounted to £48,895 (2008: £49,735 profit).

The directors do not recommend the payment of a dividend (2008: £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

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 Whinney Hill 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 2009. 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 2009

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 confirm that they have complied with the above requirements in preparing the financial statements.

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.

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

3 August 2009

Independent auditors' report

to the members of Whinney Hill Energy Limited

We have audited the financial statements of Whinney Hill Energy Limited for the year ended 31 March 2009 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report and the details of the directors and advisers. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

Independent auditors' report

to the members of Whinney Hill Energy Limited

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 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

3 August 2009

Profit and loss account

for the year ended 31 March 2009

	Notes	2009 £	456 days to 31March 2008 £
Turnover	2	**957,609**	992,753
Cost of sales		**(705,305)**	(777,820)
Gross profit		**252,304**	214,933
Administrative expenses		**(61,580)**	(15,809)
Operating profit	3	**190,724**	199,124
Interest payable and similar charges	5	**(187,420)**	(207,448)
Profit/(loss) on ordinary activities before taxation		**3,304**	(8,324)
Tax on profit/(loss) on ordinary activities	6	**(52,199)**	58,059
(Loss)/profit for the financial year	14	**(48,895)**	49,735

All items dealt within 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 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	**1,313,861**	1,438,326
Current assets			
Debtors	8	**180,729**	481,469
Creditors: amounts falling due within one year	9	**(664,372)**	(927,721)
Net current liabilities		**(483,643)**	(446,252)
Total assets less current liabilities		**830,218**	992,074
Creditors: amounts falling due after more than one year	10	**(725,522)**	(856,076)
Provisions for liabilities and charges	12	**(80,120)**	(62,527)
Net assets		**24,576**	73,471
Capital and reserves			
Share capital	13	**10,000**	10,000
Profit and loss account	14	**14,576**	63,471
Total shareholders' funds	15	**24,576**	73,471

The financial statements on pages 6 to 14 were approved by the board of directors on 3 August 2009 and were signed on its behalf by:

E J Wilkinson
Director

Notes to the financial statements

for the year ended 31 March 2009

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 1985 and applicable United Kingdom accounting standards. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Going concern

Notwithstanding the fact that the company is loss making and has net current liabilities, the directors have prepared the accounts on the going concern basis. The directors have received confirmation from MEIF LG Holding Limited group, of its intention to financially support the company such that the company can meet those obligations as they fall due for a period of at least twelve months from the date of the directors' approval of these accounts.

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

Credits for amounts receivable in respect of tax losses surrendered to group companies are recognised in the year in which the losses are surrendered, as are charges in respect of tax losses claimed from group companies.

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.

With effect from 1 January 2007 new wells were capitalised and are estimated to have a useful expected life of 5 years.

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 2009

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.

Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised in order to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

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 2009

3. Operating profit

Operating profit is stated after charging:

	2009	456 days to 31 March 2008
	£	£
Auditors' remuneration – for audit services	**3,898**	3,750
Depreciation of fixed assets		
- owned assets	**102,147**	121,519
- assets held under finance leases	**124,758**	124,758

4. Employee information

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

5. Interest payable and similar charges

	2009	456 days to 31 March 2008
	£	£
Interest payable on intra group finance lease	**187,420**	207,448

6. Taxation

a) Analysis of charge/(credit) in the year

	2009	456 days to 31 March 2008
	£	£
Current tax		
UK corporation tax on loss for the year	**-**	1,909
Group relief payable	**36,513**	-
Adjustments in respect of prior periods	**(1,907)**	-
Total current tax	**34,606**	1,909
Deferred tax		
Origination and reversal of timing differences	**(28,785)**	(59,968)
Adjustments in respect of prior periods	**46,378**	-
Total deferred tax (note 12)	**17,593**	(59,968)
Tax on profit/(loss) on ordinary activities	**52,199**	(58,059)

Notes to the financial statements

for the year ended 31 March 2009

6. Taxation (continued)

b) Factors affecting current tax charge for the year

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% (2008: 30%). The differences are explained below:

	2009 *£*	*456 days to 31 March 2008* *£*
Profit/(loss) on ordinary activities before tax	**3,304**	(8,324)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax of 28% (2008: 30%)	**925**	(2,497)
Effects of:		
Expenses not deductible for tax purposes	**6,803**	2,970
Depreciation in excess of capital allowances	**28,785**	55,502
Group relief received for £nil consideration	**-**	(54,066)
Adjustments in respect of prior periods	**(1,907)**	-
Total current tax charge	**34,606**	1,909

c) Factors that may affect future charges

The company does not anticipate any other factors that will have a significant effect on future tax charges other than group relief that may be available from other group companies.

7. Tangible fixed assets

	Plant and machinery *£*
Cost:	
At 1 April 2008	2,130,039
Additions	102,440
At 31 March 2009	**2,232,479**
Depreciation:	
At 1 April 2008	691,713
Charge for the year	226,905
At 31 March 2009	**918,618**
Net book value:	
At 31 March 2009	**1,313,861**
At 31 March 2008	1,438,326

Included within the net book value are assets held under finance lease agreements with fellow group undertakings of £561,409 (2008: £686,167).

Notes to the financial statements

for the year ended 31 March 2009

8. Debtors

	2009	2008
	£	£
Trade debtors	**77,215**	93,715
Amounts due from intermediate parent undertaking	**-**	274,721
Corporation tax	**1,907**	-
Prepayments and accrued income	**101,607**	113,033
	180,729	481,469

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

9. Creditors: amounts falling due within one year

	2009	2008
	£	£
Amounts due to group undertakings	**406,593**	657,769
Obligations under finance leases with group undertakings (note 11)	**130,554**	106,580
Amounts due to group undertaking for group relief	**36,513**	-
Corporation tax	**-**	1,909
Other taxes and social security	**10,072**	32,184
Accruals and deferred income	**80,640**	129,279
	664,372	927,721

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

10. Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Obligations under finance leases with group undertakings (note 11)	**725,522**	856,076

Notes to the financial statements

for the year ended 31 March 2009

11. Finance lease commitments

At 31 March 2009 the company holds a finance lease agreement with a fellow group undertaking, for the provision of plant and machinery for which the payments extend over a number of years.

Obligations under finance leases fall due as follows:	*2009* £	*2008* £
In one period or less, or on demand	**130,554**	106,580
Between one and two periods	**159,922**	130,554
Between two and five periods	**550,832**	595,492
In five periods or more	**14,768**	130,030
	856,076	962,656

12. Provision for liabilities and charges

Deferred taxation

	2009 £	*2008* £
Provision for deferred tax comprises:		
Accelerated capital allowances	**80,120**	62,527
At 1 April	**62,527**	122,495
Deferred taxation charge in profit and loss account for year (note 6(a))	**17,593**	(59,968)
At 31 March	**80,120**	62,527

13. Share capital

	2009 £	*2008* £
Authorised		
10,000 (2008: 10,000) ordinary shares of £1 each	**10,000**	10,000
Allotted, issued, called up and fully paid		
10,000 (2008: 10,000) ordinary shares of £1 each	**10,000**	10,000

Notes to the financial statements

for the year ended 31 March 2009

14. Profit and loss account

	Profit and loss account
	£
At 1 April 2008	63,471
Loss for the financial year	(48,895)
At 31 March 2009	**14,576**

15. Reconciliation of movements in total shareholders' funds

	2009	*2008*
	£	*£*
(Loss)/profit for the financial year	**(48,895)**	49,735
Opening total shareholders' funds	**73,471**	23,736
Closing total shareholders' funds	**24,576**	73,471

16. Contingent liabilities

At 31 March 2009 the company was guarantor with other group companies, of loans totalling £93,246,000 (2008: £87,801,000), made by the group's bankers.

17. Related party transactions

The company has taken advantage of the exemption given by FRS 8, "Related party disclosures", to subsidiary undertakings, 90% or more 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.

18. Ultimate parent

CLPE Projects 1 Limited is the immediate parent undertaking and Macquarie European Infrastructure Fund 1 Limited Partnership (a UK registered partnership domiciled in Guernsey) 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 MEIF LG Holding Limited is the holding company of the largest group of undertakings for which group accounts are drawn up. Copies of the group accounts of both of these companies may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.