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Anglian Ash Limited

Report and Financial Statements

for the year ended 31 March 2008

Registered Number 03723396

Directors and advisers

Directors
E J Wilkinson
D P Tilstone

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

Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers
Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Registered office
6 Deben Mill Business Centre
Old Maltings Approach
Woodbridge
Suffolk
IP12 1BL

Directors' report for the year ended 31 March 2008

The directors present their report and the audited financial statements for the company for the year ended 31 March 2008

Principal activities

The company's principal activity is the sale of ash produced by EPR Ely Limited's straw fuelled power station near Ely in Cambridgeshire

Business review and future developments

The results of the company for the year and financial position at the year-end were satisfactory

On 1 April 2008 the company ceased to trade and all activities were transferred to EPR Ely Limited, a fellow group company

Results and dividends

The company's profit for the financial year was £17,134 (2007 £19,785)
The directors do not recommend the payment of a dividend

Directors

The directors of the company, who held office during the year, are given below

E J Wilkinson
D P Tilstone

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 Renewable Energy (Holdings) Limited which does not form part of this report

Financial risk management

The company's operations expose it to limited financial risks that include price risk and liquidity risk

Given the size of the company, the directors have not delegated 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 company's finance department

Price Risk

The company is exposed to commodity price risk as a result of its operations However, given the size of the company's operations, 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 has no exposure to equity securities price risk as it holds no listed or other equity investments

Liquidity risk

The company maintains cash balances and has access to short-term finance so as to ensure the company has sufficient available funds for operations

Directors' report for the year ended 31 March 2008

Statement of directors' responsibilities

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 and 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 are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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 the directors are 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

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 June 2008

Independent auditors' report

to the members of Anglian Ash Limited

We have audited the financial statements of Anglian Ash Limited for the year ended 31 March 2008 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

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 Anglian Ash 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 2008 and of its profit 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

16 June 2008

Profit and loss account
for the year ended 31 March 2008

	Notes	2008 £	2007 £
Turnover	2	**61,427**	56,690
Cost of sales		**(10,458)**	(6,273)
Gross profit		**50,969**	50,417
Administrative expenses		**(3,704)**	(4,198)
Operating profit	3	**47,265**	46,219
Interest receivable and similar income		**891**	3,466
Interest payable and similar charges	5	**(29,982)**	(29,900)
Profit on ordinary activities before taxation		**18,174**	19,785
Tax on profit on ordinary activities	6	**(1,040)**	-
Profit for the financial year	10	**17,134**	19,785

The company ceased to trade from 1 April 2008 As such all items dealt with in the profit and loss accounts for 2008 and 2007 relate to discontinued operations

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 2008

	Notes	2008 £	2007 £
Current assets			
Debtors	7	**8,077**	6,786
Cash at bank and in hand		**17,852**	32,245
		25,929	39,031
Creditors amounts falling due within one year	8	**(469,289)**	(499,525)
Net liabilities		**(443,360)**	(460,494)
Capital and reserves			
Called up share capital	9	**10**	10
Profit and loss account	10	**(443,370)**	(460,504)
Shareholders' deficit	11	**(443,360)**	(460,494)

The financial statements on pages 6 to 12 were approved by the board of directors on 16 June 2008 and were signed on its behalf by

E J Wilkinson
Director

Notes to the financial statements

for the year ended 31 March 2008

1. Accounting policies

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 Energy Power Resources Limited, the principal UK trading subsidiary of the MEIF Renewable Energy (Holdings) 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, "Cashflow statement (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

Deferred tax

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 exceptions

- 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

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

Financial instruments

As the company has not elected to adopt FRS 26, "Financial Instruments Measurement", it is entitled to, and has claimed exemption from, the disclosure requirements of FRS 25, "Financial Instruments' 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

Notes to the financial statements

for the year ended 31 March 2008

1. Accounting policies (continued)

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

3. Operating profit

Operating profit is stated after charging the following

	2008	*2007*
	£	£
Auditors' remuneration – audit services	**2,471**	3,000

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

	2008	*2007*
	£	£
Intercompany loan interest payable	**29,982**	29,900

6. Taxation

a) Analysis of charge in the year

	2008	*2007*
	£	£
Current tax		
Adjustment in respect of previous periods	**1,040**	-

Notes to the financial statements

for the year ended 31 March 2008

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 30% (2007 30%) The differences are explained below

	2008	*2007*
	£	*£*
Profit on ordinary activities before taxation	**18,174**	19,785
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (2007 30%)	**5,452**	5,936
Effect of		
Utilisation of tax losses	**(5,452)**	(5,936)
Adjustment in respect of prior periods	**1,040**	-
Total current tax	**1,040**	-

c) Factors that may affect future tax charges

The company has unrelieved tax losses arising in the UK of £124,823 (2007 £138,000) which are available for offset against future taxable profits In accordance with FRS 19, "Deferred tax", no deferred tax asset has been recognised in relation to these losses as their recoverability cannot be predicted with any degree of certainty

The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008

7. Debtors

	2008	*2007*
	£	*£*
Amounts falling due within one year.		
Trade debtors	**7,523**	6,470
Amounts owed by group undertakings	**554**	316
	8,077	6,786

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

Notes to the financial statements

for the year ended 31 March 2008

8. Creditors: amounts falling due within one year

	2008	*2007*
	£	*£*
Amounts owed to group undertakings	**460,000**	492,768
Other taxes and social security	**4,464**	2,757
Other creditors	**4,825**	4,000
	469,289	499,525

Included within amount owed to group undertakings are loans which incurs interest at LIBOR + 2%, which are unsecured and full due and payable by 31 March 2009

9. Share capital

	2008	*2007*
	£	*£*
Authorised		
100 ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
10 ordinary shares of £1 each	**10**	10

10. Profit and loss account

	Profit and loss account
	£
At 1 April 2007	(460,504)
Profit for the financial year	17,134
At 31 March 2008	**(443,370)**

11. Reconciliation of shareholders' deficit

	2008	2007
	£	£
Profit for the financial year	**17,134**	19,785
Opening shareholders deficit	**(460,494)**	(480,279)
Closing shareholders' deficit	**(443,360)**	(460,494)

Notes to the financial statements

for the year ended 31 March 2008

12. Related party transactions

As a 100% owned subsidiary of Energy Power Resources Limited, the company has taken advantage of the exemption granted by FRS 8, "Related party disclosures", not to disclose transactions with related entities that are part of the group

13 Ultimate parent company

Energy Power Resources Limited is the immediate parent undertaking and Macquarie European Infrastructure Fund Limited Partnership (a UK registered partnership domiciled in Guernsey) is the ultimate parent undertaking

The smallest group in which the company is consolidated is that headed by Energy Power Resources Limited and the largest group in which the company is consolidated is headed by MEIF Renewable Energy (Holdings) Limited Copies of the group accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff

14. Post balance sheet event

On 1 April 2008 the company ceased to trade and all activities were transferred to EPR Ely Limited, a fellow group company