

**Clarke Energy Holdings Limited**

**Directors' report and financial  
statements**

**Registered Number 03773142**

**31 October 2014**

TUESDAY



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## Directors and advisors

<b>Directors</b>	Jim Clarke Jamie Clarke P Holliday J McCallum L Thompson
<b>Secretary</b>	P Holliday
<b>Registered office</b>	Power House Senator Point South Boundary Road Knowsley Industrial Park Knowsley Liverpool L33 7RR
<b>Auditors</b>	KPMG LLP 8 Princes Parade Liverpool L3 1QH
<b>Lawyers</b>	DLA Piper LLP 101 Barbirolli Square Manchester M2 3DL

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 October 2014.

### Principal activities and business review

The company is a non-trading holding company within the Clarke Energy group. The group is involved in the supply, installation and servicing of gas engines for power generation and combined heat and power applications.

### Results and dividends

The results of the Company after taxation amounted to a result of £nil (2013: result of £ nil).

The directors have proposed a final dividend on preference shares of £nil (2013: £nil) in addition to the interim dividend declared and paid of £ nil (2013: £ nil).

### Directors and directors' interests

The directors who held office during the year were as follows:

Jim Clarke  
Jamie Clarke  
P Holliday  
J McCallum  
L Thompson

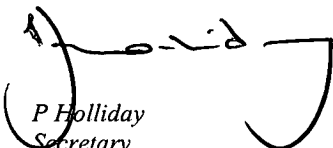
### Disclosure of information to auditors

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



P Holliday  
Secretary

19<sup>th</sup> December 2014

Power House  
Senator Point, South Boundary Road  
Knowsley Industrial Estate  
Knowsley, Liverpool  
L33 7RR

## Strategic report

### Strategy

The company is non-trading and thus its strategy is identified as part of the wider Group strategy, being to:

- Provide best quality service to our customers;
- Establish long term customer relationships;
- Diversify our activities geographically;
- Build contracted and dependable service income; and
- Operate our business to the highest standards of business integrity.

This strategy will be achieved by working with our existing partners and customers to develop new business opportunities and by continuing to invest in our customer service.

### Progress

The Group has made good progress with this strategy during the year.

### Risks and uncertainties

The principal risks and uncertainties for the company are those risks prevalent in its subsidiary investments.

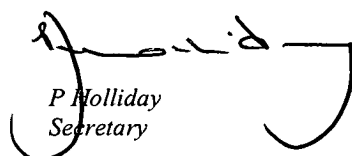
The principal risks and uncertainties in our business relate to the Government policy that creates the demand for our products.

At present, the renewable energy and waste industries are receiving a great deal of Government and public attention across the world.

However, Government policy and incentives to support these industries vary significantly from country to country and are changing on a frequent basis.

It is our view that changes in Government policy are likely to improve the potential for our products but the timing of any changes and the level of any incentives is very uncertain.

By order of the board



P Holliday  
Secretary

19<sup>th</sup> December 2014

Power House  
Senator Point, South Boundary Road  
Knowsley Industrial Estate  
Knowsley, Liverpool  
L33 7RR

## **Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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**

8 Princes Parade  
Liverpool  
L3 1QH  
United Kingdom

**Independent auditor's report to the members of Clarke Energy Holdings Limited**

We have audited the financial statements of Clarke Energy Holdings Limited for the year ended 31 October 2014 set out on pages 7 to 14. 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 4, 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 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 Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

**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 October 2014 and of its result 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Clarke Energy Holdings Limited**  
*(continued)*

**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.



**Richard Evans (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
8 Princes Parade  
Liverpool  
L3 1QH

*19 December 201X*



**Profit and loss account**  
*for the year ended 31 October 2014*

	<i>Note</i>	<b>2014</b> <b>£000</b>	<b>2013</b> <b>£000</b>
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
<b>Operating profit</b>	2	-	-
Interest payable and similar charges	4	-	-
Income from shares in group undertakings		-	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		-	-
Taxation on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		-	-
		<hr/>	<hr/>

All amounts related to continuing activities.

The Company has no recognised gains and losses other than those disclosed in the profit and loss account for the year. Accordingly no statement of recognised gains and losses is given.

The notes on pages 9 to 14 form part of the financial statements.

**Balance sheet**  
*at 31 October 2014*

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	7	30,535	30,535
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	8	(13,105)	(13,105)
<b>Net current liabilities</b>		(13,105)	(13,105)
<b>Net assets</b>		17,430	17,430
<b>Capital and reserves</b>			
Called up share capital	9	1,007	1,007
Share premium account	10	15,232	15,232
Capital redemption reserve	10	1,004	1,004
Profit and loss account	10	187	187
<b>Shareholders' funds</b>	11	17,430	17,430

The notes on pages 9 to 14 form part of the financial statements.

These financial statements were approved by the board of directors on 19th December 2014 and were signed on its behalf by:



J Clarke  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

As 100% of the company's voting rights are controlled within the group headed by Clarke Energy Topco Limited, the company has taken advantage of the exemption contained in FRS 8 "Related Party Transactions" and has therefore not disclosed transactions or balances with entities which form part of the group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

#### ***Going concern***

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds guaranteed by other group companies one of which, Clarke Energy Topco Limited, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds and guarantees as are needed by the company.

The directors therefore have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future despite the net current liabilities position at the balance sheet date. Thus the going concern basis has been adopted in preparing the annual financial statements.

#### ***Investments***

Investments in subsidiary undertakings are stated at cost less amounts written off.

#### ***Taxation***

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### ***Dividends on shares presented within equity***

Dividends are only recognised as a liability to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Classification of financial instruments issued by the Group*

Following the adoption of FRS 25, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

### 2 Notes to the profit and loss account

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2014 £000	2013 £000
Auditor's remuneration:		
- Audit of these financial statements	-	-
- Other services relating to taxation	-	-

Audit and tax professional fees are borne by another group company.

### 3 Directors and employees

No persons were employed by the company during the year and no directors received remuneration in respect of services to the company (2013: nil).

## Notes (continued)

### 4 Interest payable and similar charges

	2014 £000	2013 £000
Amounts payable on bank loans and overdraft	-	-
Amounts payable on term loan	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

### 5 Taxation

#### Analysis of charge in period

	2014 £000	2013 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Tax credit on profit on ordinary activities	-	-
	<u>-</u>	<u>-</u>

#### Factors affecting the tax charge for the current period

The current tax charge for the period is equivalent to (2013: equivalent to) the standard rate of corporation tax in the UK of 21.83% (2013: 23.41 %). The differences are explained below.

#### Current tax reconciliation

Profit on ordinary activities before tax	-	-
	<u>-</u>	<u>-</u>
Current tax at 21.83% (2013: 23.41%)	-	-
<i>Effects of:</i>		
Non taxable dividend income	-	-
	<u>-</u>	<u>-</u>
Total current tax credit	-	-
	<u>-</u>	<u>-</u>

#### Factors affecting the future tax charge

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

## Notes (continued)

### 6 Dividends

	2014 £000	2013 £000
Dividend of £nil (2013: £nil) per share on B preferred ordinary shares	-	-

### 7 Investments

	Subsidiary undertaking £000
Cost at the beginning of the year	30,535
Acquisitions in year	-
Cost at the end of the year	30,535

The companies in which the group's interest at year end is more than 20% are as follows:

	Country of incorporation	Class and percentage of shares held
<b>Direct subsidiary undertakings</b>		
Clarke Energy Limited	UK	Ordinary 100%
<b>Indirect subsidiary undertakings</b>		
Clarke Energy (India) Pvt Limited	India	Ordinary 100%
Clarke Energy (France) SAS	France	Ordinary 100%
Clarke Energy (Australia) Pty Limited	Australia	Ordinary 100%
Clarke Energy Ireland Limited	Ireland	Ordinary 100%
Clarke Energy Nigeria Limited	Nigeria	Ordinary 100%
Clarke Energy Equipment Trading Co. (Beijing) Limited	China	Ordinary 100%
Clarke Energy Bangladesh Limited	Bangladesh	Ordinary 100%
Clarke Energy (South Africa) Pty Limited	South Africa	Ordinary 100%
Clarke Energy Tunisie SARL	Tunisia	Ordinary 100%
Clarke Energy Tunisie Trading SARL	Tunisia	Ordinary 100%
Clarke Energy Tunisie CETS	Tunisia	Ordinary 100%
Clarke Energy Tanzania Ltd	Tanzania	Ordinary 100%
Clarke Energy Maroc SARL	Morocco	Ordinary 100%
Clarke Energy Mozambique LDA	Mozambique	Ordinary 100%

All subsidiary undertakings are trading companies involved in gas engine installation and maintenance.

## Notes (continued)

### 8 Creditors: amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to group undertakings	13,105	13,105

### 9 Equity share capital

	2014 £	2013 £
B preferred Ordinary shares of £1 Authorised, allotted and fully paid	1	1
C Ordinary shares of £1 Authorised, allotted and fully paid	5	5
D Ordinary shares of £1 Authorised, allotted and fully paid	1	1
F preferred Ordinary shares of £1 Authorised, allotted and fully paid	1,000	1,000
	<u>1,007</u>	<u>1,007</u>

The B preferred Ordinary shares of £1 and the F preferred Ordinary shares of £1 carry no right to vote, are not redeemable and have priority to a fixed dividend of £0.001 per share.

### 10 Share premium account and reserves

	Share Premium account £000	Capital redemption reserve £000	Profit and loss account £000
At start of year	15,232	1,004	187
Profit for the year	-	-	-
Equity dividend paid	-	-	-
At end of year	<u>15,232</u>	<u>1,004</u>	<u>187</u>

## Notes (continued)

### 11 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
<b>Profit for the financial year</b>	-	-
Dividends paid	-	-
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	-	-
Opening shareholders' funds	17,430	17,430
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	17,430	17,430
	<hr/>	<hr/>

### 12 Ultimate parent undertaking

At the year end, the ultimate parent undertaking and controlling party was Clarke Energy Topco Limited, a company incorporated in the UK. The largest group in which the results of the company are consolidated for the year ended 31 October 2014 is that headed by Clarke Energy Topco Limited, incorporated in the UK. The consolidated accounts of this company are available to the public and may be obtained from The Registrar, Companies House, Crown Way, Cardiff, CF4 3UZ. No other group accounts include the results of the company.