



energy for tomorrow's generation

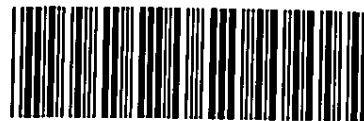
Best Selection Limited

Report and Financial Statements

for the year ended 31 March 2007

Registered Number 04085933

WEDNESDAY



AGGRGU29
A52 24/10/2007 226
COMPANIES HOUSE

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 2007

The directors present their report and the audited financial statements for the company for the year ended 31 March 2007

Principal activities

The company does not trade and its sole activity is the holding of shares in Fibrowatt Group Limited, which itself is a holding company. The group's primary business is the ownership and operation of three electricity power stations using chicken litter and other biomass materials as fuel and the selling of the resultant ash as high quality fertiliser.

Trading results and dividends

The profit for the year after taxation amounts to £22 (2006 loss £4,030)

The directors do not recommend the payment of a dividend.

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

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.

Directors

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

E J Wilkinson

D P Tilstone (appointed 30 November 2006)

D Owens (resigned 30 November 2006)

Financial risk management

The company's operations expose it to limited financial risks that include 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.

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 2007

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

PricewaterhouseCoopers LLP were appointed as auditors by the directors on 30 November 2006. They have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



E J Wilkinson
Director

15 October 2007

Independent auditors' report

to the members of Best Selection Limited

We have audited the financial statements of Best Selection Limited for the year ended 31 March 2007 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 Best Selection 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 2007 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

15 October 2007

Profit and loss account

for the year ended 31 March 2007

	Notes	2007 £	2006 £
Administrative expenses	3	(12)	(4,073)
Operating loss		(12)	(4,073)
Bank interest receivable		34	43
Profit / (loss) on ordinary activities before taxation		22	(4,030)
Tax on profit / (loss) on ordinary activities	4	-	-
Retained profit / (loss) for the financial year		22	(4,030)

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

The company had no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet

as at 31 March 2007

	Notes	2007 £	2006 £
Fixed assets			
Investments	5	8,301,471	8,301,471
Current assets			
Cash at bank		776	754
Creditors: amounts falling due within one year	6	(8,672,083)	(8,672,083)
Net current liabilities		(8,671,307)	(8,671,329)
Total assets less current liabilities		(369,836)	(369,858)
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	8	(370,836)	(370,858)
Shareholders' deficit	9	(369,836)	(369,858)

The financial statements on pages 6 to 11 were approved by the board of directors on 15 October 2007 and were signed on its behalf by



E J Wilkinson
Director

Notes to the financial statements

for the year ended 31 March 2007

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

Going concern

The financial statements have been prepared on a going concern basis, the viability of which is dependent on MEIF Renewable Energy (Holdings) Limited which has confirmed in writing that it will continue to allow the company to pay its debts as they fall due for a period of at least twelve months following the signing of the financial statements.

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 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 accounts

The company is a wholly owned subsidiary undertaking of a company registered in England and Wales. Accordingly, the presentation of group financial statements is not required under section 228 of the Companies Act 1985.

Investments

The company's investment in subsidiary and associated undertakings is stated at cost less, where applicable, amounts written off to reflect the value of the underlying net assets of the investment at the balance sheet date.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1, "Cashflow 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.

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.

2. Employee information

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

Notes to the financial statements

for the year ended 31 March 2007

3. Administrative expenses

Auditors' remuneration of £500 (2006 £500) was borne by Energy Power Resources Limited

4. Taxation

a) Factors affecting current tax charge

The tax assessed on the profit / (loss) on ordinary activities for the period is different from the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are reconciled below

	2007	2006
	£	£
Profit / (Loss) on ordinary activities before taxation	22	(4,030)
Profit / (Loss) on ordinary activities multiplied by the standard rate of corporation tax of 30% (2006 30%)	7	(1,209)
Effect of		
Unrelieved tax losses carried forward	(7)	1,209
Total current tax charge	-	-

b) Factors that may affect future tax charges

The company has an unrecognised deferred tax asset of £1,202 (2006 £1,209) which includes unrelieved tax losses of £1,202 (2006 £1,209) available for offset against future taxable profits In accordance with FRS 19, "Deferred tax", no deferred tax asset has been recognised as its recoverability cannot be predicted with any degree of certainty

5. Investments

	<i>Subsidiary undertakings</i>
	£
Cost and net book value	
At 1 April 2006 and 31 March 2007	8,301,471

The company's subsidiary undertaking is as follows:

<i>Name of company</i>	<i>Proportion of issued equity capital held</i>	<i>Country of incorporation</i>	<i>Nature of business</i>
Fibrowatt Group Ltd	68%	Great Britain	Renewable energy

Notes to the financial statements

for the year ended 31 March 2007

6. Creditors: amounts falling due within one year

	2007	2006
	£	£
Amounts owed to group undertakings	8,672,083	8,672,083

Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment

7. Share capital

	2007	2006
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000

8. Profit and loss account

	<i>Profit and loss account</i>
	£
At 1 April 2006	(370,858)
Profit for the financial year	22
At 31 March 2007	(370,836)

9. Reconciliation of shareholders' deficit

	2007	2006
	£	£
Profit/(loss) for the year	22	(4,030)
Opening shareholders' deficit	(369,858)	(365,828)
Closing shareholders' deficit	(369,836)	(369,858)

10. 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

Notes to the financial statements

for the year ended 31 March 2007

11. Ultimate parent company

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

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 Companies House.