

**Report of the Members and
Financial Statements
for the Year Ended 31 December 2008
for
Arclight Capital UK, LLP**

THURSDAY



ANI3Z9UK

A15

14/05/2009

79

COMPANIES HOUSE

Arclight Capital UK, LLP
General Information
for the Year Ended 31 December 2008

DESIGNATED MEMBERS:	ACP UK I Limited ACP UK II Limited
REGISTERED OFFICE:	20 - 22 Bedford Row London WC1R 4JS
REGISTERED NUMBER:	OC329378 (England and Wales)
AUDITORS:	Fitzgerald and Law LLP Chartered Accountants and Registered Auditors 8 Lincoln's Inn Fields London WC2A 3BP
BANKERS:	Citi Private Bank 41 Berkeley Square London W1J 5AN

Arclight Capital UK, LLP

Report of the Members for the Year Ended 31 December 2008

The members present their report with the financial statements of the LLP for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of providing investment management services under a sub-advisory agreement for an investment manager.

DESIGNATED MEMBERS

The designated members during the year under review were:

ACP UK I Limited
ACP UK II Limited

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £135,543 (2007 - £53,121 profit).

MEMBERS' INTERESTS

The Limited Liability Partnership Deed dated 5 July 2007 establishes the basis for the members' drawings, subscriptions and repayments of members' capital. Contributions of capital to the LLP by the members are determined by the agreement of members. Any member may at any time withdraw any amount then standing to the credit of the member's capital account with prior consent of all the other members.

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Fitzgerald and Law LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Arclight Capital UK, LLP

**Report of the Members
for the Year Ended 31 December 2008**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 relating to small LLPs.

ON BEHALF OF THE MEMBERS:



.....
ACP UK I Limited - Designated Member

Date: *16 March 2009*
.....

Report of the Independent Auditors to the Members of Arclight Capital UK, LLP

We have audited the financial statements of Arclight Capital UK, LLP for the year ended 31 December 2008 on pages six to eleven. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' 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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

The members' 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 on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 as modified by the Limited Liability Partnerships Regulations 2001. We also report to you whether in our opinion the information given in the Report of the Members is consistent with the financial statements.

In addition, we report to you if, in our opinion, the LLP 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 members' remuneration and other transactions is not disclosed.

We read the Report of the Members 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 judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the LLP's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001; and
- the information given in the Report of the Members is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Arclight Capital UK, LLP**

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made within the financial statements concerning the basis of preparation of the accounts. In view of the significance of this matter, we consider it should be drawn to your attention. Our report is not qualified in this respect.

Fitzgerald and Law LLP

Fitzgerald and Law LLP
Chartered Accountants
and Registered Auditors
8 Lincoln's Inn Fields
London
WC2A 3BP

Date: *20 MARCH 2009*

Arclight Capital UK, LLP

**Profit and Loss Account
for the Year Ended 31 December 2008**

		Year Ended 31.12.08 £	Period 26.6.07 to 31.12.07 £
	Notes		
TURNOVER	2	1,421,862	548,081
Administrative expenses		1,292,701	498,255
		<hr/> 129,161	<hr/> 49,826
Other operating income		100	-
OPERATING PROFIT	3	129,261	49,826
Interest receivable and similar income		6,282	3,295
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	10	<hr/> 135,543 <hr/>	<hr/> 53,121 <hr/>

The notes form part of these financial statements

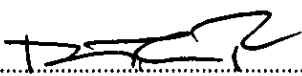
Arclight Capital UK, LLP

**Balance Sheet
31 December 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	5	16,564	19,134
CURRENT ASSETS			
Debtors	6	91,613	104,635
Cash at bank		444,687	224,514
		<u>536,300</u>	<u>329,149</u>
CREDITORS			
Amounts falling due within one year	7	<u>385,999</u>	<u>293,162</u>
NET CURRENT ASSETS		<u>150,301</u>	<u>35,987</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>166,865</u></u>	<u><u>55,121</u></u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	9	164,865	53,121
MEMBERS' OTHER INTERESTS			
Capital accounts	10	<u>2,000</u>	<u>2,000</u>
		<u><u>166,865</u></u>	<u><u>55,121</u></u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	9	164,865	53,121
Members' other interests	10	<u>2,000</u>	<u>2,000</u>
		<u><u>166,865</u></u>	<u><u>55,121</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the members of the LLP on 16 March 2009 and were signed by:


.....
ACP UK I Limited - Designated member

The notes form part of these financial statements

Arclight Capital UK, LLP

Notes to the Financial Statements for the Year Ended 31 December 2008

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis as the LLP's members' parent company has indicated its continuous financial support of the company. Should this support be withdrawn, then all the LLP's assets would have to be restated at their net realisable values and its liabilities would have to be treated as falling due on demand.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships.

Turnover and other income

Turnover represents the invoiced value for investment advisory services supplied. Interest income is recognised on an accrual basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- Over the life of the lease term
Fixtures and fittings	- 20% on cost

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The LLP operates a defined contribution pension scheme. Contributions payable to the LLP's pension scheme are charged to the profit and loss account in the period to which they relate.

Taxation

No provision for taxation is made, as any liability arising is assessable directly on the members of the LLP.

Members' capital

Members' capital is classified as equity as members may withdraw capital only with the prior consent of all the other members.

2. TURNOVER

The turnover and profit for the financial year before members' remuneration and profit shares are attributable to the one principal activity of the LLP.

An analysis of turnover by geographical market is given below:

	Year Ended	Period
	31.12.08	26.6.07 to 31.12.07
USA	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>

ArcLight Capital UK, LLP

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2008**

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.12.08 £	Period 26.6.07 to 31.12.07 £
Depreciation - owned assets	20,974	6,378
Auditors' remuneration	6,750	6,750
Foreign exchange differences	123,682	5,163
Pension costs	16,195	-
	<u>166,601</u>	<u>18,291</u>

4. INFORMATION IN RELATION TO MEMBERS

	Year Ended 31.12.08	Period 26.6.07 to 31.12.07
The average number of members during the year was	<u>2</u>	<u>2</u>

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 January 2008	25,512	-	25,512
Additions	-	18,404	18,404
At 31 December 2008	<u>25,512</u>	<u>18,404</u>	<u>43,916</u>
DEPRECIATION			
At 1 January 2008	6,378	-	6,378
Charge for year	19,134	1,840	20,974
At 31 December 2008	<u>25,512</u>	<u>1,840</u>	<u>27,352</u>
NET BOOK VALUE			
At 31 December 2008	<u>-</u>	<u>16,564</u>	<u>16,564</u>
At 31 December 2007	<u>19,134</u>	<u>-</u>	<u>19,134</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Other debtors	58,700	82,654
VAT	22,738	21,981
Prepayments	10,175	-
	<u>91,613</u>	<u>104,635</u>

ArcLight Capital UK, LLP

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2008**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Amounts owed to group undertakings	269,777	272,143
Social security and other taxes	94,945	-
Accrued expenses	21,277	21,019
	<u>385,999</u>	<u>293,162</u>

8. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2008 £	2007 £
Expiring: Within one year	<u>273,625</u>	<u>239,400</u>

9. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2008 £	2007 £
Amounts owed to members in respect of profits	<u>164,865</u>	<u>53,121</u>
Falling due within one year	<u>164,865</u>	<u>53,121</u>

10. MEMBERS' INTERESTS

	Members' other interests				
	Members' capital (classified as equity) £	Reserves £	Total £	Loans and other debts due to members £	Total £
Balance at 1 January 2008	2,000	-	2,000	53,121	55,121
Profit for the financial year available for discretionary division among members		<u>135,543</u>	<u>135,543</u>		<u>135,543</u>
Members' interests after profit for the year	2,000	135,543	137,543	53,121	190,664
Other divisions of profit		(135,543)	(135,543)	135,543	
Drawings				<u>(23,799)</u>	<u>(23,799)</u>
Balance at 31 December 2008	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>164,865</u>	<u>166,865</u>

11. ULTIMATE CONTROLLING PARTY AND ULTIMATE PARENT COMPANY

The members' consider ArcLight Capital Holdings, LLC, a company registered in USA to be the ultimate controlling party and parent company by virtue of its interest in ArcLight Capital Partners, LLC, the members' parent company.

ArcLight Capital UK, LLP

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2008**

12. RELATED PARTY DISCLOSURE

At the balance sheet date, included within creditors is an amount of £182,194 (2007: £253,785) payable to ArcLight Capital Partners, LLC in respect of an interest free loan and reimbursement of amounts paid on behalf of the LLP.

During the year the company made sales of £1,421,862 (2007: £548,081) to ArcLight Capital Partners, LLC.

At the balance sheet date, included within creditors is an amount of £87,583 (2007: £18,358) payable to ArcLight Capital Holdings, LLC in respect of reimbursement of amounts paid on behalf of the LLP.