



energy for tomorrow's generation

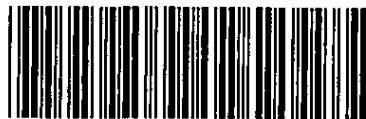
Fibrowatt Limited

Report and financial statements

for the year ended 31 March 2012

Registered number 02595814

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COMPANIES HOUSE

Directors and advisers

Directors

E J Wilkinson
D P Tilstone

Secretary

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

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
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 2012

The directors present their report and the audited financial statements for the company for the year ended 31 March 2012

Principal activities

The company's principal activity was the provision of management and administrative services (as holding company) to its subsidiaries which operate three electricity power stations fuelled by chicken litter and other biomass materials and the selling some of the resultant ash as high quality fertiliser

Business review and future developments

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

Results and dividends

The company's loss for the financial year was £309 (2011 loss £6,371)

During the forthcoming year it is the intention of the directors to transfer the assets of the company to its parent company Energy Power Resources Limited and enter into a process which will result in the company becoming dormant

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

D P Tilstone

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year

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 risk that is solely 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 group maintains cash balances and has access to short-term finance so as to ensure the group has sufficient available funds for operations

Directors' report for the year ended 31 March 2012

Statement of directors' responsibilities

The directors are responsible for preparing the 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting 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,
- 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 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.

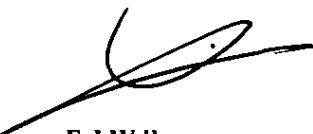
Statement of disclosure of information to auditors

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

In accordance with section 487(2) of the Companies Act 2006 the auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed.

By order of the board



E J Wilkinson
Director

15 August 2012

Independent auditors' report

to the members of Fibrowatt Limited

We have audited the financial statements of Fibrowatt Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

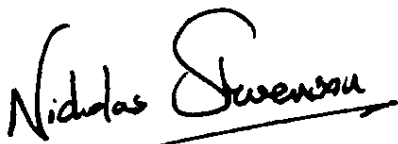
Independent auditors' report

to the members of Fibrowatt Limited

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



Nicholas Stevenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

15 August 2012

Profit and loss account

for the year ended 31 March 2012

	Notes	2012 £	2011 £
Administrative expenses		-	(5,564)
Operating loss	2	-	(5,564)
Interest payable and similar charges	4	-	(2,748)
Loss on ordinary activities before taxation		-	(8,312)
Tax on loss on ordinary activities	5	(309)	1,941
Loss for the financial year	11	(309)	(6,371)

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

There is no material difference between the loss on ordinary activities before taxation and the loss 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 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	6	3,321,716	3,321,716
Current assets			
Debtors amounts falling due within one year	7	5,280,961	5,280,961
Debtors amounts falling due after more than one year	7	598,687	598,687
Deferred tax assets	5	3,705	5,017
		5,883,353	5,884,665
Creditors amounts falling due within one year	8	(167,258)	(168,261)
Net current assets		5,716,095	5,716,404
Total assets less current liabilities		9,037,811	9,038,120
Creditors amounts falling due after more than one year	9	(3,924,803)	(3,924,803)
Net assets		5,113,008	5,113,317
Capital and reserves			
Called up share capital	10	130	130
Share premium account	11	3,274,316	3,274,316
Profit and loss account	11	1,838,562	1,838,871
Total shareholders' funds	12	5,113,008	5,113,317

The financial statements on pages 6 to 13 were approved by the board of directors on 15 August 2012 and were signed on its behalf by



E J Wilkinson
Director

Registered number 02595814

Notes to the financial statements

for the year ended 31 March 2012

1. Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Group financial statements

The company has taken advantage of the exception available under section 400 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the company's ultimate holding company is MEIF Renewable Energy (Holdings) Limited, a company established under UK law that prepares consolidated financial statements.

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.

Investments

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

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 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.

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.

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 29, "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.

Notes to the financial statements

for the year ended 31 March 2012

1. Accounting policies (continued)

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. Operating loss

Operating loss is stated after charging the following

	2012 £	2011 £
Auditors' remuneration – for audit services	-	4,700

Auditors remuneration of £500 (2011, £500) was borne by Energy Power Resources Limited and not recharged

3. Employee information

The company paid no remuneration (2011: £nil) or wages to its directors and had no other employees during the year

4. Interest payable and similar charges

	2012 £	2011 £
Interest payable to group undertakings	-	2,748

Notes to the financial statements

for the year ended 31 March 2012

5. Tax on loss on ordinary activities

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

	2012 £	2011 £
Current tax		
Group relief receivable	(1,003)	(3,678)
Total current tax	<u>(1,003)</u>	<u>(3,678)</u>
Deferred tax		
Origination and reversal of timing differences	1,003	1,351
Impact of change in rate	309	386
Total deferred tax	<u>1,312</u>	<u>1,737</u>
Tax on loss on ordinary activities	<u>309</u>	<u>(1,941)</u>

b) Factors affecting current tax credit for the year

The tax assessed on the loss on ordinary activities for the year differs to the standard rate of corporation tax in the UK of 26% (2011 28%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	-	(8,312)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 26% (2011 28%)	-	(2,327)
Effects of		
Depreciation in excess of capital allowances	(1,003)	(1,351)
Total current tax	<u>(1,003)</u>	<u>(3,678)</u>

c) Factors that may affect future tax charges

Significant timing differences are not anticipated for future periods. On 1 April 2012 the UK corporation tax rate reduced from 26% to 24%, and will reduce by a further 1% a year over the following two years. These further reductions have not yet been substantively enacted. This rate change will both affect the amount of future cash tax payments to be made by the company and reduce the size of company's recognised deferred tax asset. The effect of the reduction in rate from 24% on the deferred tax balance has not been quantified as it is not considered to be material to the financial statements.

Notes to the financial statements

for the year ended 31 March 2012

5. Tax on loss on ordinary activities (continued)

d) Deferred tax

	2012 £	2011 £
Depreciation in excess of capital allowances	(3,705)	(5,017)
Brought forward at 1 April 2011	(5,017)	(5,017)
Deferred tax charge in profit and loss account for year	1,312	1,737
Carried forward at 31 March 2012	(3,705)	(5,017)

Deferred tax has been calculated at 24% (2011 26%)

6. Investments

	£
Cost and net book value	
At 31 March 2012 and at 1 April 2011	3,321,716

The principal subsidiary undertakings, their country of registration or incorporation, the proportion of ordinary shares held at the year end and their principal activities are set out below

Name	%	Country	Principal activities
EPR Eye Limited	100	England	Operation of electricity power station
EPR Glanford Limited	100	England	Operation of electricity power station
EPR Thetford Limited	100	England	Operation of electricity power station
Fibrophos Limited	100	England	Selling ash fertiliser product

All companies have a 31 March year-end

7. Debtors

	2012 £	2011 £
Amounts falling due within one year:		
Amounts owed by group undertakings	5,280,961	5,280,961
Due after one year:		
Amounts owed by group undertakings	598,687	598,687
	5,879,648	5,879,648

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment. Fibrowatt Limited has committed that £598,687 will not be repayable within the next 12 months.

Notes to the financial statements

for the year ended 31 March 2012

8. Creditors: amounts falling due within one year

	2012	2011
	£	£
Amounts owed to group undertakings	160,473	161,476
Other taxes and social security costs	336	336
Other creditors and accruals	6,449	6,449
	<u>167,258</u>	<u>168,261</u>

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

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

	2012	2011
	£	£
Loans due to group undertakings	<u>3,924,803</u>	<u>3,924,803</u>

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

10. Called up share capital

	2012	2011
	£	£
<i>Authorised</i>		
200 (2011 200) ordinary shares of £1 each	<u>200</u>	<u>200</u>
<i>Allotted and fully paid</i>		
130 (2011 130) ordinary shares of £1 each	<u>130</u>	<u>130</u>

11. Reserves

	Share premium account	Profit and loss account
	£	£
At 1 April 2011	3,274,316	1,838,871
Loss for the financial year	-	(309)
At 31 March 2012	<u>3,274,316</u>	<u>1,838,562</u>

Notes to the financial statements

for the year ended 31 March 2012

12. Reconciliation of movements in total shareholders' funds

	2012	2011
	£	£
Loss for the financial year	(309)	(6,371)
Opening total shareholders' funds	5,113,317	5,119,688
Closing total shareholders' funds	<u>5,113,008</u>	<u>5,113,317</u>

13. Related party transactions

As a 100% owned indirect subsidiary of Macquarie European Infrastructure Fund LP, 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

14. Contingent liabilities

At 31 March 2012 the company was guarantor with other group companies, of loans totalling £55,177,628 (2011 £67,763,251), made by the group's bankers

15. Post balance sheet event

In July 2012 the directors began a process to transfer the assets of the company to its parent company Energy Power Resources Limited which will result in the company becoming dormant

16. Ultimate parent company

Fibrowatt Group Limited is the immediate parent undertaking and Macquarie European Infrastructure Fund LP (an English limited partnership with its registered office at PO Box 60, Carinthia House, 9-12 The Grange, St Peter Port, Guernsey, GY1 4BF) is the ultimate parent undertaking

Energy Power Resources Limited is the holding company of the smallest group of undertakings for which group financial statements are drawn up and Macquarie European Infrastructure Fund LP is the holding company of the largest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements may be obtained from the address above