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energy for tomorrow's generation

Fibrowatt Limited

Report and financial statements

for the year ended 31 March 2013

Registered number 02595814

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 2013

The directors present their report and the audited financial statements for the company for the year ended 31 March 2013

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 £5,113,008 (2012 £309)

During the year the directors have transferred the assets and trade of the company to its parent company Energy Power Resources Limited and completed a group restructuring process which has resulted in the company becoming dormant As part of the group restructuring process on 10 July 2012 the directors approved a reduction in the share capital of the company in accordance with the Companies Act

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 was in force throughout the financial year 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

Directors' report for the year ended 31 March 2013

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

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

Directors' report for the year ended 31 March 2013

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

On behalf of the board

E J Wilkinson
Director

2 August 2013

Independent auditors' report

to the members of Fibrowatt Limited

We have audited the financial statements of Fibrowatt Limited for the year ended 31 March 2013 which comprise the profit and loss account, statement of total recognised gains and losses, 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 report and financial statements 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 2013 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 (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

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

2 August 2013

Profit and loss account

for the year ended 31 March 2013

	Note	2013 £	2012 £
Exceptional other expenses	4	**(5,113,008)**	-
Operating loss	2	**(5,113,008)**	-
Loss on ordinary activities before taxation		**(5,113,008)**	-
Tax on loss on ordinary activities	5	-	(309)
Loss for the financial year	11	**(5,113,008)**	(309)

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

Statement of total recognised gains and losses
for the year ended 31 March 2013

	Note	*2013* £	*2012* £
Loss for the financial year		**(5,113,008)**	-
Credit to reserves on reduction of share capital		**3,274,445**	-
Total recognised losses relating to the year		**(1,838,563)**	-

Balance sheet
as at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	6	-	3,321,716
Current assets			
Debtors amounts falling due within one year	7	-	5,280,961
Debtors amounts falling due after more than one year	7	-	598,687
Deferred tax assets	5	-	3,705
		-	5,883,353
Creditors amounts falling due within one year	8	-	(167,258)
Net current assets		-	5,716,095
Total assets less current liabilities		-	9,037,811
Creditors amounts falling due after more than one year	9	-	(3,924,803)
Net assets		-	5,113,008
Capital and reserves			
Called up share capital	10	**1**	130
Share premium account	11	-	3,274,316
Profit and loss account	11	**(1)**	1,838,562
Total shareholders' funds	12	-	5,113,008

The financial statements on pages 7 to 15 were approved by the board of directors on 2 August 2013 and were signed on its behalf by

D P Tilstone
Director

Registered number 02595814

Notes to the financial statements

for the year ended 31 March 2013

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 2013

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

	2013	*2012*
	£	£
Auditors' remuneration – for audit services	-	-

Auditors remuneration of £500 (2012, £500) was borne by Energy Power Resources Limited and not recharged

3. Employee information

The company paid no remuneration or wages to its directors and had no other employees during the year (2012 £nil) The emoluments of E J Wilkinson are paid by the parent company which makes no recharge to the company E J Wilkinson is a director of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries His total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent D P Tilstone does not receive any payment for his services to the MEIF Renewable Energy (Holdings) group

4 Exceptional other expenses

On 19 July 2012 inter-company loans with a fellow group companies were released as part of a group re-structure along with small miscellaneous balances As a result an amount of £7,541,292 was debited to the profit and loss account On 9 July 2012 the company's investments were transferred to its parent company for £5,750,000 proceeds giving rise to an accounting profit of £2,428,284

Notes to the financial statements

for the year ended 31 March 2013

5. Tax on loss on ordinary activities

a) Analysis of charge in the year

	2013 £	2012 £
Current tax		
Group relief payable	**(183)**	(1,003)
Total current tax	**(183)**	(1,003)
Deferred tax		
Origination and reversal of timing differences	**183**	1,003
Impact of change in rate	-	309
Total deferred tax	**183**	1,312
Tax on loss on ordinary activities	-	309

b) Factors affecting current tax charge for the year

The tax assessed on the loss on ordinary activities for the year differs (2012 differs) to the standard rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before taxation	**(5,113,008)**	-
Loss on ordinary activities multiplied by the standard rate of corporation tax of 24% (2012 26%)	**(1,227,122)**	-
Effect of		
Capital allowances in excess of depreciation	**(183)**	(1,003)
Expenses not deductable for tax purposes	**1,808,541**	-
Non taxable income	**(581,419)**	-
Total current tax	**(183)**	(1,003)

c) Deferred tax

	2013 £	2012 £
Depreciation in excess of capital allowances	-	(3,705)
Brought forward at 1 April	**(3,705)**	(5,017)
Deferred tax charge in profit and loss account for year	**183**	1,312
Disposal	**3,522**	-
Carried forward at 31 March	-	(3,705)

Deferred tax has been calculated at 23% (2012 24%)

Notes to the financial statements

for the year ended 31 March 2013

6. Investments

	£
Cost	
At 1 April 2012	**3,321,716**
Disposal	
On 9 July 2012	**3,321,716**
Net book value	
At 31 March 2013	-
At 31 March 2012	3,321,716

On 9 July 2012 the company's investments were transferred to its parent company

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

	2013	*2012*
	£	**£**
Amounts falling due within one year:		
Amounts owed by group undertakings	-	5,280,961
Due after more than one year:		
Amounts owed by group undertakings	-	598,687
	-	5,879,648

8. Creditors: amounts falling due within one year

	2013	*2012*
	£	**£**
Amounts owed to group undertakings	-	160,473
Other taxes and social security costs	-	336
Other creditors and accruals	-	6,449
	-	167,258

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

Notes to the financial statements

for the year ended 31 March 2013

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

	2013	*2012*
	£	*£*
Loans due to group undertakings	-	3,924,803

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

10. Called up share capital

	2013	*2012*
	£	*£*
Authorised		
200 (2012 200) ordinary shares of £1 each	**200**	200
Allotted and fully paid		
1 (2012 130) ordinary share of £1 each	**1**	130

11. Reserves

	Called up share capital	*Share premium account*	*Profit and loss account*
	£	*£*	*£*
At 1 April 2012	200	3,274,316	1,838,562
Reduction in share capital	(199)	(3,274,316)	-
Loss for the financial year	-	-	(5,113,008)
Credit to reserves on reduction of share capital		-	3,274,445
At 31 March 2013	**1**	**-**	**(1)**

12. Reconciliation of movements in shareholders' funds

	2013	*2012*
	£	*£*
Loss for the financial year	**(5,113,008)**	(309)
Opening shareholders' funds	**5,113,008**	5,113,317
Closing shareholders' funds	**-**	5,113,008

Notes to the financial statements

for the year ended 31 March 2013

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. Ultimate parent company

Energy Power Resources 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 and controlling party

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