Bellhouse Energy Limited

Directors' report and financial statements

for the period 1 January 2007 to 31 March 2008

Registered number 03466081



Bellhouse Energy Limited

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for the period 1 January 2007 to 31 March 2008

Contents

Directors and advisors 1

Directors' report for the period 1 January 2007 to 31 March 2008 2

Independent auditors' report to the members of Bellhouse Energy Limited 4

Profit and loss account for the period 1 January 2007 to 31 March 2008 5

Balance sheet as at 31 March 2008 6

Statement of accounting policies 7

Notes to the financial statements for the period 1 January 2007 to 31 March 2008 9

Bellhouse Energy Limited

Directors and advisors

Directors
H H P Wyndham
E J Wilkinson

Secretary
Eversecretary Limited

Auditors
PricewaterhouseCoopers LLP
Registered Auditors
Chartered Accountants
101 Barbirolli Square
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Solicitors
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Spa Road
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BL1 4AY

Registered number
03466081

Bellhouse Energy Limited

Directors' report for the period 1 January 2007 to 31 March 2008

The directors present their report and the audited financial statements of the company for the period from 1 January 2007 to 31 March 2008.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Principal activities
The company is engaged in the business of generating electricity from landfill gas.

Results and dividends
The profit for the period after taxation and before dividends was £495,478 (year ended 31 December 2006: £343,479).

The directors do not recommend the payment of a dividend (year ended 31 December 2006: nil).

Directors
The following directors held office during the period and up to the date of signing the accounts:

H H P Wyndham
R D Holmes (resigned 22 February 2007)
R E Swanson (resigned 22 February 2007)
D R Wilson (resigned 22 February 2007)
A T West (resigned 22 February 2007)
E J Wilkinson (appointed 22 February 2007)
D P Tilstone (appointed 22 February 2007, resigned 17 May 2007)

Statement of directors' responsibilities
The directors are responsible for preparing the Annual 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 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 or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

Bellhouse Energy Limited

Directors' report for the period 1 January 2007 to 31 March 2008 (continued)

Statement of directors' responsibilities (continued)
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 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.

Disclosure of information to Auditors
Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
(2) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors
Following the resignation of Grant Thornton UK LLP, PricewaterhouseCoopers LLP were appointed as auditors to the company.

In accordance with Section 385 of the Companies Act, a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board

E J Wilkinson
Director
18th December, 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BELLHOUSE ENERGY LIMITED

We have audited the financial statements of Bellhouse Energy Limited for the period 1 January 2007 to 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies 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 judgements 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.

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 2008 and of its profit for the period 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 & Registered Auditors
Manchester
18 December 2008

Bellhouse Energy Limited

Profit and loss account for the period 1 January 2007 to 31 March 2008

Continuing operations	Notes	1 January 2007 to 31 March 2008 £	Year ended 31 December 2006 £
Turnover	1	**988,816**	819,369
Cost of sales		**(490,766)**	(388,511)
Gross profit		**498,050**	430,858
Administrative expenses		**(18,861)**	(16,307)
Operating profit		**479,189**	414,551
Interest payable and similar charges	5	**-**	(62,352)
Profit on ordinary activities before taxation	2	**479,189**	352,199
Tax on profit on ordinary activities	6	**16,289**	(8,720)
Profit for the financial period/year		**495,478**	343,479

The company had no recognised gains or losses in the current period or previous year other than those passing through the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents.

Bellhouse Energy Limited

Balance sheet as at 31 March 2008

	Notes	31 March 2008 £	31 December 2006 £
Fixed assets			
Tangible assets	7	702,667	832,017
Current assets			
Debtors	8	2,049,876	1,472,919
Creditors: amounts falling due within one year	9	(1,047,540)	(195,825)
Net current assets		1,002,336	1,277,094
Total assets less current liabilities		1,705,003	2,109,111
Creditors: amounts falling due after more than one year	10	-	(877,908)
Provisions for liabilities and charges	11	(123,765)	(145,443)
Net assets		1,581,238	1,085,760
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss reserve	13	1,571,238	1,075,760
Total shareholders' funds	14	1,581,238	1,085,760

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 14 were approved by the board of directors on 18th December, 2008. and were signed on its behalf by:

E J Wilkinson
Director

Bellhouse Energy Limited

Statement of accounting policies

Basis of accounting
These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period are set out below.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

With effect from 1 January 2007, Well additions were capitalised and are estimated to have a useful expected life of 5 years.

Finance costs incurred during the development stage of a project are capitalised, along with site preparation costs, installation costs and connection costs. Once the project is commissioned, these costs are depreciated over the estimated useful economic life of the asset constructed.

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives from commissioning using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Straight line annual rates of depreciation most widely used are:

Plant and machinery	6.67% and 20%

Taxation
Corporation tax payable is provided on taxable profits at the current rate applicable.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Turnover
Turnover represents the invoiced value of goods and services for electricity supplied, net of value added tax and trade discounts. Turnover is recognised when electricity generated is exported to third party customers.

Statement of accounting policies (continued)

Cash flow statement
Under Financial Reporting Standard 1 'Cash flow statements' (revised 1996), the company is exempt from the requirement to prepare a cashflow statement on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of MEIF LG Energy Limited are publicly available.

Related party transactions
Under paragraph 3(c) of Financial Reporting Standard 8 'Related party disclosures', the company is exempt from the requirement to disclose related party transactions with group entities on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of MEIF LG Energy Limited are publicly available.

Bellhouse Energy Limited

Notes to the financial statements for the period 1 January 2007 to 31 March 2008

1 Turnover

All turnover relates to the generation and sale of electricity in the UK.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1 January 2007 to 31 March 2008 £	Year ended 31 December 2006 £
Auditors' remuneration	**3,750**	3,000
Depreciation of tangible fixed assets	**147,602**	116,661

3 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (year ended 31 December 2006: £nil).

4 Staff numbers and costs

No staff were employed by the company during the period (year ended 31 December 2006: nil).

5 Interest payable and similar charges

	1 January 2007 to 31 March 2008 £	Year ended 31 December 2006 £
On loan from intermediate parent undertaking	-	62,352

6 Taxation on profit on ordinary activities

Analysis of (credit)charge in period/year	1 January 2007 to 31 March 2008 £	Year ended 31 December 2006 £
Current tax		
UK corporation tax on profits of the period/year	**5,389**	9,000
Deferred tax		
Origination and reversal of timing differences	**(21,678)**	(280)
Total deferred tax (note 11)	**(21,678)**	(280)
Total tax on profit on ordinary activities	**(16,289)**	8,720

The tax assessed for the period/year is lower (2006 - lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	1 January 2007 to 31 March £	Year ended 31 December £
Profit on ordinary activities before tax	**479,189**	352,199
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006: 30%)	**143,757**	105,660
Effects of:		
Expenses not deductible for tax purposes	**533**	276
Depreciation in excess of capital allowances	**12,838**	-
Group relief	**(151,739)**	(96,936)
Total current tax charge	**5,389**	9,000

Factors that may affect future tax charges
The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008.

The company does not anticipate any other factors that will have a significant effect on future tax charges other than group relief that may be available from other group companies.

7 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2007	1,749,908
Additions	18,252
At 31 March 2008	**1,768,160**
Depreciation	
At 1 January 2007	917,891
Charge for the period	147,602
At 31 March 2008	**1,065,493**
Net book value	
At 31 March 2008	**702,667**
At 31 December 2006	832,017

8 Debtors

	31 March 2008 £	31 December 2006 £
Trade debtors	**56,812**	75,761
Amounts due from intermediate parent undertaking	**1,908,908**	1,327,412
Prepayments and accrued income	**84,156**	69,746
	2,049,876	1,472,919

The amounts due from intermediate parent undertaking do not bear interest, are repayable on demand and are not secured.

9 Creditors: amounts falling due within one year

		31 March 2008 £	31 December 2006 £
Trade creditors		**6,630**	7,298
Amounts due to intermediate parent undertaking	**10**	**995,374**	117,466
Corporate tax payable		**5,389**	9,000
Other taxation and social security		**26,774**	31,136
Accruals and deferred income		**13,373**	30,925
		1,047,540	195,825

The amounts due to intermediate parent undertaking do not bear interest (2006: 5.88%), are repayable on demand and are not secured.

10 Creditors: amounts falling due after more than one year

	31 March 2008 £	31 December 2006 £
Amounts due to intermediate parent undertaking	-	877,908
Amounts due to intermediate parent undertakings can be analysed as falling due:		
In one year or less, or on demand	**995,374**	117,466
Between one and two years	-	121,856
Between two and five years	-	404,630
In five years or more	-	351,422
	995,374	995,374

Following a restructuring of group borrowings, amounts due to intermediate parent undertaking have been reclassified as creditors falling due within one year.

11 Provision for liabilities and charges

Deferred taxation

	31 March 2008 £	31 December 2006 £
Provision for deferred tax comprises:		
Accelerated capital allowances	**123,765**	145,443
Total deferred taxation	**123,765**	145,443
At start of period/year	**145,443**	145,723
Deferred taxation charge in profit and loss account for period/year (note 6)	**(21,678)**	(280)
At end of period/year	**123,765**	145,443

12 Called up share capital

	31 March 2008 £	31 December 2006 £
Authorised		
10,000 (2006: 10,000) ordinary shares of £10,000 each	**10,000**	10,000
Allotted and fully paid		
10,000 (2006: 10,000) ordinary shares of £10,000 each	**10,000**	10,000

13 Reserves

	Profit and loss reserve £
At 1 January 2007	1,075,760
Profit for the financial period	495,478
At 31 March 2008	**1,571,238**

14 Reconciliation of movement in shareholders' funds

	31 March 2008 £	31 December 2006 £
Profit for the period/year	495,478	343,479
Opening shareholders' funds	1,085,760	742,281
Closing shareholders' funds	1,581,238	1,085,760

15 Commitments and guarantees

The company, along with fellow subsidiary companies, has guaranteed the bank loans of MEIF LG Energy Limited amounting to £87,801,000 by means of a debenture providing fixed and floating charges over the company's assets.

During 2006 the company guaranteed the bank loans of its intermediate parent company, CLPE Projects 2 Limited, and its fellow subsidiaries amounting to £9,842,192 by means of a debenture providing fixed and floating charges over the company's assets.

16 Ultimate parent and controlling company

Until 22 February 2007, the company's ultimate parent company was "Ridgewood Electric Power Trust V" an entity which is registered in the United States. Christiana Bank and Trust Company, a company registered and incorporated in the United States was the Corporate Trustee of the Trust. Ridgewood Renewable Power LLC, a company registered and incorporated in the United States, was the managing shareholder of the Trust. The directors consider that Ridgewood Renewable Power LLC was the ultimate controlling party of the company until 22 February 2007.

On 22 February 2007, Bellhouse Energy Limited's intermediate parent company, CLPE Holdings Limited, was acquired by MEIF LG Energy Limited, a company incorporated in England & Wales.

16 Ultimate parent and controlling company (continued)

MEIF LG Energy Limited's ultimate parent entity is Macquarie European Infrastructure Fund Limited Partnership, a UK registered partnership domiciled in Guernsey. The directors consider that Macquarie European Infrastructure Fund Limited Partnership became the ultimate controlling party on 22 February 2007.

The company's immediate parent undertaking is CLPE Projects 1 Limited, a company incorporated and registered in England and Wales.

The ultimate parent undertaking and controlling party is Macquarie European Infrastructure Fund Limited Partnership, (a UK registered partnership domiciled in Guernsey).

MEIF LG Holding Limited is the largest group of undertakings for which group accounts are drawn up. Copies of the group accounts of this company may be obtained from the Registrar of Companies, Crown Way, Maindy, Cardiff.

MEIF LG Energy Ltd is the smallest group of undertakings for which group accounts are drawn up. Copies of the group accounts of this company may be obtained from the Registrar of Companies, Crown Way, Maindy, Cardiff.

17 Related party transactions

There were no transactions with related parties, other than group companies, during the period 1 January 2007 to 31 March 2008.

18 Post balance sheet events

A number of changes to the UK Corporation Tax system were announced as part of the March 2007 budget statement. Certain of these changes were substantively enacted in the 2007 Finance Act on 26 June 2007. The impact of these changes has been recognised in these financial statements.

Certain other changes are expected to be enacted in the 2008 Finance Act. The impact of these changes will be recognised in the period in which the 2008 Finance Act becomes substantively enacted, which is expected to be in the year to 31 March 2009.