MEIF Renewable Energy UK PLC

Annual Report

for the period from 29 August 2014 to 31 March 2015

Registered number: 09194088

Directors and advisers

Directors
A T Lygoe
D P Tilstone
E J Wilkinson

Secretary
E J Wilkinson
6 Deben Mill Business Centre
Old Maltings Approach
Woodbridge
Suffolk
IP12 1BL

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Abacus House
Castle Park
Cambridge
CB3 0AN

Bankers
Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Registered office
6 Deben Mill Business Centre
Old Maltings Approach
Woodbridge
Suffolk
IP12 1BL

Strategic report for the period ended 31 March 2015

The directors present their strategic report for the group and for the company for the period ended 31 March 2015.

Group business review

MEIF Renewable Energy UK PLC was incorporated on 29 August 2014 and is a wholly owned subsidiary of MEIF Luxembourg Renewables Sarl. On 26 September 2014 the Company acquired all of the share capital of both MEIF Renewable Energy (Holdings) Limited and MEIF LG Holding Limited from MEIF Luxembourg Renewables Sarl, creating a UK renewable energy portfolio of biomass and landfill gas generation assets with an installed capacity of 174MW.

On 29 January 2015 MEIF Renewable Energy UK PLC issued £190 million senior secured notes (the “Notes”) with an interest rate of 6.75% per annum paid bi-annually and a repayment date of 1 February 2020. Proceeds of the Notes were used to repay the existing third party debts of the MEIF Renewable Energy (Holdings) Limited and MEIF LG Holding Limited groups, and to make a partial repayment of the shareholder loan.

The results of the group for the period ended 31 March 2015 and financial position as at that date were satisfactory and in line with expectations. Output for the period was 602GWh with group turnover of £69,399,000. Group operating profit (including share of joint venture) was £13,836,000 and EBITDA (as defined on page 7) was £28,369,000. As part of the repayment of existing third party debt facilities, the group incurred one-off interest rate swap settlement charges of £12,685,000 and these contributed to a group loss on ordinary activities before taxation of £10,308,000 for the period ended 31 March 2015.

The group continues to place significant emphasis on health and safety, and the biomass division’s OHSAS 18001 (Health & Safety) certification was maintained during the year. The number of minor accidents that have occurred in the year is broadly unchanged from the previous year. There has been a significant improvement in internal and external audit performance in terms of non-conformances which is encouraging.

Wholesale electricity prices

Between November 2014 and January 2015, mainly as a result of a decrease in UK natural gas prices, wholesale electricity market future prices decreased by approximately 14%. Whilst wholesale electricity future market prices have stabilised, they remain at or around the January 2015 level.

The wholesale electricity prices we receive pursuant to our power purchase agreements are fixed in advance and revenue in the year ended 31 March 2015 was not impacted by the fall in market prices between November 2014 and January 2015.

Pursuant to its power purchase agreement with British Gas Trading Limited, the electricity price the Biomass division receives is fixed every twelve months, based on the average wholesale market electricity future prices over an agreed three-month calculation period, and will be next re-set in the summer of 2015 for the twelve months commencing 1 October 2015. Pursuant to its power purchase agreement with British Gas Trading Limited, the electricity price the Landfill gas division receives is fixed every six months (from 1 April and 1 October), based on the average wholesale market electricity future prices over agreed two-month calculation periods.

ROC recycle income

The results for the period include Compliance Period 12 (2013/14) Renewable Obligation Certificate (“ROC”) recycle income, announced and received during the peiod ended 31 March 2015. The value per ROC was significantly lower than received in the prior year, reflecting higher UK wind resource and generation in 2013/14 compared to DECC (“Department of Energy and Climate Change”) expectations, resulting in a greater number of ROCs produced and issued during this compliance year compared with that assumed when setting the target for the compliance period.

Strategic report for the period ended 31 March 2015

Divisional business review

Whilst the MEIF Renewable Energy UK PLC consolidated group was formed on 26 September 2014 following the acquisition described on page 2, the following strategic review of the biomass and landfill gas divisions relates to the full year to 31 March 2015 and the comparative period as the directors consider this to give a more comprehensive assessment of the business and the operational factors influencing the group's performance.

Biomass division

The results of the biomass division for the year ended 31 March 2015 and the financial position at the year-end date were satisfactory and continue to be underpinned by solid operational performance across the portfolio, with output and availability improving further in the year. Output at Glanford, Eye and Westfield was slightly below expectation in the year ended 31 March 2015, but this was more than offset by significant increases in output from both Thetford and Ely power stations compared with the previous financial year. Overall portfolio output in the year ended 31 March 2015 was 763 GWh, an increase of 27 GWh (3.7%) compared with the prior year.

Fuel contracts

In February 2015 the Energy Power Resources Limited ("EPRL") group entered into two replacement fuel supply contracts with one of its principal poultry litter suppliers, replacing some spot supplies and consolidating contracts previously due to expire in 2015 and 2020. These two new contracts provide for the annual supply of 255,000 tonnes of poultry litter and extend to 31 March 2027, and represent a significant proportion of the average annual fuel requirement of EPRL's three power stations predominantly fuelled by poultry litter.

In May 2015 the EPRL group extended an existing contract for the annual supply of 60,000 tonnes of fuel with its principal horse-bedding supplier. The contract was extended out to 31 March 2027 on existing indexed terms.

Yorkshire Windpower Limited

During the year ended 31 March 2015, wind turbine availability decreased at Yorkshire Windpower Limited ("YWP"), the group's 50% joint venture. This reflects the age of the assets and reduced propensity to undertake expensive repairs given the planned de-commissioning of existing turbines and re-powering of new wind turbines at Ovenden Moor (the largest of the two wind farms). The reduction in output has led to lower operating profit within YWP and reduced dividend payments compared to the prior year.

In January 2015 EPRL approved the funding of the YWP repower project at Ovenden Moor by way of a shareholder loan to represent 50% of the expected capital expenditure. The balance of capital expenditure will be funded by an equivalent shareholder loan from the joint venture partner, E.On Climate and Renewables Limited. The repower project will replace the original 1993 wind turbines and increase the installed capacity of the site from around 9MW to 18MW. Construction will commenced at the beginning of August 2015 with completion expected in late summer 2016.

On 18 June 2015 DECC announced its intention to introduce primary legislation to close the RO ("Renewables Obligation") to new onshore wind projects from 1st April 2016, a year earlier than originally planned. In order to protect investor confidence in the wider renewables sector, a grace period has been proposed which would continue to give access to support under the RO after 1 April 2016 to those onshore wind projects which, as of 18 June 2015, already had planning consent, a grid connection offer and acceptance, and evidence of land rights for the site on which the project is to be built.

Strategic report for the period ended 31 March 2015

Divisional business review (continued)

As YWP's repower project at Ovenden Moor meets all of the criteria outlined as part of DECC's announcement, we believe that the repower project will benefit from the grace period and be supported under the RO regime at the level of 0.9 ROCs per MWh.

Environment and sustainability
Environmentally, as well as providing a secure and sustainable disposal route for poultry litter and other agricultural based residues, the group's output in 2014/15 reduced CO2 emissions by some 271,000 tonnes (2014: 261,000 tonnes) by displacing the equivalent amount of generation from gas fired plant (based upon Department of Energy and Climate Change's (DECC) assessment of average emissions). There was a significant (around 25%) year on year reduction in the number of permit non-conformances in 2014/15, and whilst the absolute number of permit non-conformances across the group is low and improving, constant focus is required in this area. In addition, there was a reduction in both water usage and the amount of waste sent to landfill during the year ended 31 March 2015 compare to the previous year. EPRL group's ISO 14001 (Environmental) certification was maintained during the year.

From 1 April 2015, ROC entitlement is linked to audited fuel sustainability criteria. Given the nature of the fuels used across the group, being UK and locally sourced and classified as either wastes, residues or energy crops from accredited sources, we anticipate full compliance and significant headroom against the required minimum greenhouse gas savings. Further we believe that our data collection and reporting processes are fully compliant.

Thetford Power Station
Thetford Power Station had a very good year generating 263 GWh (2014: 253 GWh), an improvement on the previous year and slightly ahead of expectations. This was driven by increased availability and a general improvement in output whilst on line, particularly in the last quarter of the financial year.

Ely Power Station
Ely Power Station had an excellent year generating 261 GWh (2014: 237 GWh), above both the previous year and expectations. Whilst some of the increase in output arises from the longer annual outage in the previous financial year for the major overhaul of the station's turbine and generator, both availability and output whilst on line have improved during the year ended 31 March 2015.

During the year EPR Ely Limited has started to implement its agreed policy of procuring 100% of its fuel requirements directly through medium term contracts, thereby reducing its holding of owned-straw. There has been a significant reduction in straw stock during the year ended 31 March 2015 and with effect from summer 2015 all straw will be acquired through fuel contracts.

Glanford Power Station
Glanford Power Station's output in the year ended 31 March 2015 was in line with the previous year generating 96 GWh (2014: 96 GWh). Both availability and output whilst online remain very good.

Eye Power Station
Eye Power Station's output in the year ended 31 March 2015 was slightly below that achieved in 2013/14 in what was an exceptionally good year. In the year ended 31 March 2015 Eye Power Station generated 85 GWh (2014: 90 GWh), with good availability and output whilst online.

Westfield Power Station
Westfield Power Station's performance was slightly below expectations, generating just under 58 GWh in the year ended 31 March 2015 (2014: 60 GWh).

Strategic report for the period ended 31 March 2015

Divisional business review (continued)

Fibrophos
Whilst slightly in excess of the previous year, fertiliser sales volumes and price were below expectation, this was generally in line with UK fertiliser market which was impacted adversely by lower commodity price and general market uncertainty.

Landfill gas division

The results of the landfill gas division for the year ended 31 March 2015 and financial position as at that date were satisfactory and in line with expectations.

Output from the landfill gas portfolio in the year ended 31 March 2015 was 371GWh (2014: 388GWh). There was a reduction of 4.5% compared to the previous year reflecting the maturity of the 25 landfill gas sites from which the group operates. The sites being operated within the portfolio did not change during the financial year.

During the year an original gas agreement governing the terms of our operations at one of the landfill sites within the portfolio was extended for 20 years until September 2034.

The nature of generating electricity from methane extracted from landfill sites is such that performance can be adversely impacted not only by unscheduled engine down-time and scheduled maintenance activity, but also by disruptions caused by third-party landfill operations which are largely outside the control of the group.

Cost of sales and administrative costs were broadly in line with the previous year.

Strategic report for the period ended 31 March 2015

Principal risks and uncertainties

The management of the group and execution of the group's strategy are subject to a number of risks. The group has a formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risks on a regular basis.

General risks

The key general risks and uncertainties affecting both the biomass and landfill gas divisions are considered to relate to wholesale electricity prices and changes to renewable energy support regimes. These and all identified general risks are managed through the risk management policy.

Biomass division

The key business risks and uncertainties affecting the biomass division are considered to relate to operational availability, staff competencies, environmental, health and safety performance and fuel availability. These and all identified risks are managed through the risk management policy.

During 2014/15 the biomass division has demonstrated good progress in managing a number of key risks, namely improving portfolio output and availability for the fourth consecutive year, retaining ISO 14001 and OHSAS 18001 certification and developing a system of health and safety observations.

In February 2015 two replacement fuel supply contracts were entered into with one of its principal poultry litter supplier, replacing some spot supplies and consolidating contracts previously due to expire in 2015 and 2020. These two new contracts provide for the annual supply of 255,000 tonnes of poultry litter and extend to 31 March 2027, and represent over a third of the average annual fuel requirement of the division's three power stations predominantly fueled by poultry litter.

Following on from this, in May 2015 the biomass division extended an existing contract for the annual supply of 60,000 tonnes of fuel with its principal horse-bedding supplier. The contract was extended out to 31 March 2027 on existing indexed terms.

Landfill gas division

The key business risks and uncertainties affecting the landfill gas division are considered to relate to gas quality and availability, third party landfill operations, engine availability, environmental, health and safety performance and the renewal of landfill gas agreements at the end of their existing term. These and all identified risks are managed through the risk management policy.

Strategic report for the period ended 31 March 2015

Key performance indicators

The key performance indicators ("KPI's") used by the directors are output, turnover, EBITDA and operating profit. EBITDA represents earnings before tax, interest, depreciation, profit or loss from the sale of fixed assets and amortisation.

As such the directors are of the opinion that further analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

For the period from 26 September 2014 to 31 March 2015

Key performance indicators	
Output (GWh)	**602**
Group turnover (£000s)	**69,399**
EBITDA (£000s)	**28,369**
Operating profit: group and share of joint venture (£000s)	**13,836**

Results

As part of the repayment of existing third party debt facilities, the group incurred one-off interest rate swap settlement charges of £12,685,000 and these contributed to a group loss on ordinary activities before taxation of £10,308,000 for the period ended 31 March 2015.

Approved by and on behalf of the board

E J Wilkinson
Director

24 July 2015

Directors' report for the period ended 31 March 2015

The directors present their report and the audited consolidated financial statements for the group and the company for the period ended 31 March 2015.

Principal activities

MEIF Renewable Energy UK PLC's principal activity is that of holding company to MEIF Renewable Energy (Holdings) Limited and MEIF LG Holding Limited. The group represents a UK focussed renewable energy portfolio of biomass and landfill gas generation assets with an installed capacity of 174MW. In addition, MEIF Renewable Energy UK PLC employs a small number of central staff that provide HR, payroll, legal and management services to its subsidiaries.

In addition, on 29 January 2015 MEIF Renewable Energy UK PLC issued £190 million senior secured notes (the "Notes") with an interest rate of 6.75% per annum and a repayment date of 1 February 2020, interest is payable bi-annually.

MEIF Renewable Energy UK PLC is a subsidiary of 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).

MEIF Renewable Energy (Holdings) Limited is the holding company of the Energy Power Resources Limited ("EPRL") group, the primary activity of which is the operation of five biomass fuelled power stations (in total approximately 110MWs capacity) and the marketing and sale of potash and phosphate fertiliser, branded as Fibrophos. In addition, EPRL holds a 50% share in YWP which owns two wind farms at Ovenden Moor and Royd Moor, Yorkshire with 16MWs capacity in total.

MEIF LG Holding Limited is the holding company of the CLP group, the primary activity of which is the production of energy from landfill gas. The CLP operates from 25 landfill gas sites across the UK and has 64MW of installed capacity.

Future developments

During the period ended 31 March 2015, due to the renewable nature of its electricity generation, the group received £2,697,000 in respect of Levy Exemption Certificates ("LECs"). Within the Budget of 8 July 2015 the Government announced its intention to discontinue the Climate Change Levy ("CCL") exemption for renewable generators from 1 August 2015, specifically LECs will not be issued for renewable generation from this date. The CCL exemption scheme has been a key component of the renewable support regime for many years and this change was both unexpected and extremely disappointing and will adversely impact the Group's ongoing revenue and profitability.

The directors anticipate that output from the biomass portfolio in 2015/16 will be consistent with that of the current year, whilst that of the landfill gas portfolio is anticipated to decline slightly due to falling gas volumes as a result of the mix of closed and open landfill sites from which it operates.

Dividends

No dividends were paid by MEIF Renewable Energy UK PLC in the period to 31 March 2015

Directors' report for the period ended 31 March 2015

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:

A T Lygoe	(appointed 29 August 2014)
D P Tilstone	(appointed 29 August 2014)
E J Wilkinson	(appointed 29 August 2014)

Financial risk management
The group's operations expose it to limited financial risks that include price risk and liquidity risk.

Given the size of the group, 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 group's finance department.

Price Risk

The group is exposed to commodity price risk relating to electricity and fertiliser as a result of its operations. However, given the size of the group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature. The group has no exposure to equity securities price risk as it holds no listed or other equity investments.

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' 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 period 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 and up to the date of signing the financial statements.

Employment of disabled persons
Applications for employment by disabled persons are given full and fair consideration for all vacancies, having regard to their particular aptitudes and abilities. Should a person become disabled while in the group's employment, every effort is made to retain them in employment, giving alternative training as necessary.

Employee Information
We fully realise that our employees wish to be informed and consulted on matters affecting their work and to be involved in problem-solving affecting their own areas of interest and responsibility. The Company is firmly committed to a policy of good communication at all levels and we aim to establish a climate which constantly encourages the open flow of information and ideas. Presently this includes monthly team briefings at a local level and the publication of monthly key performance indicators covering output, operating costs and health and safety.

Directors’ report for the period ended 31 March 2015

Statement of directors’ responsibilities

The directors are responsible for preparing the strategic report, 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 group and parent company 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 group and company and of the profit or loss of the group 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 and the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

PricewaterhouseCoopers LLP were appointed by the directors as auditors during the period and have indicated their willingness to continue in office.

Approved by and on behalf of the board

E J Wilkinson
Director

24 July 2015

Independent auditors' report

to the members of MEIF Renewable Energy UK PLC

Report on the financial statements

Our opinion

In our opinion, MEIF Renewable Energy UK PLC's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2015 and of the group's loss and cash flows for the period 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.

What we have audited

MEIF Renewable Energy UK PLC's financial statements comprise:

- the group and company balance sheets as at 31 March 2015;
- the group profit and loss account for the period and the group statement of total recognised gains and losses for the period then ended;
- the group statement of cash flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report

to the members of MEIF Renewable Energy UK PLC (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 10, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Charles Joseland (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cambridge

24 July 2015

Group profit and loss account

For the period ended 31 March 2015

	Note	*Period ended 31 March 2015 £000s*
Turnover (including share of joint venture)		**70,166**
Less: Share of joint venture's turnover		**(767)**
Group turnover	2	**69,399**
Cost of sales		**(44,667)**
Gross profit		**24,732**
Other operating income		**661**
Administrative expenses		**(12,008)**
Operating profit	3	**13,385**
Share of operating profit in joint venture		**451**
Total operating profit: group and share of joint venture		**13,836**
Interest receivable and similar income	6	**10**
Interest payable and similar charges (including exceptional items)	7	**(24,154)**
Loss on ordinary activities before taxation		**(10,308)**
Tax on loss on ordinary activities	8	**(535)**
Loss for the financial period	21	**(10,843)**

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 period stated above and their historical cost equivalents.

Group statement of total recognised gains and losses

For the period ended 31 March 2015

	Note	*Period ended 31 March 2015 £000s*
Loss for the financial period excluding the share of profits of joint venture		**(11,294)**
Share of joint venture's operating profit for the period		**451**
Loss for the financial period attributable to members of the parent company	21	**(10,843)**
Foreign exchange difference on retranslation of net assets of subsidiary undertakings	21	**1**
Total recognised losses relating to the period		**(10,842)**

Group balance sheet

At 31 March 2015

	Note	*31 March 2015 £000s*
Fixed assets		
Intangible assets	9	**121,872**
Tangible assets	10	**175,990**
Interests in joint venture		
- Share of gross assets		**2,453**
- Share of gross liabilities		**(1,620)**
	11	**833**
		298,695
Current assets		
Stocks	13	**12,362**
Debtors: amounts falling due within one year	14	**29,106**
Debtors: amounts falling due after more than one year	14	**1,082**
Cash at bank and in hand		**26,367**
		68,917
Creditors: amounts falling due within one year	15	**(18,023)**
Net current assets		**50,894**
Total assets less current liabilities		**349,589**
Creditors: amounts falling due after more than one year	16	**(304,993)**
Provisions for liabilities and charges		
Deferred tax	17	**(4,568)**
Net assets		**40,028**
Capital and reserves		
Called up share capital	20	**50,870**
Profit and loss account	21	**(10,842)**
Total shareholders' funds	22	**40,028**

The financial statements on pages 13 to 40 were approved by the board of directors on 24 July 2015 and were signed on its behalf by:

D P Tilstone
Director

Registered number: 09194088

Company balance sheet

At 31 March 2015

	Note	*31 March 2015 £000s*
Fixed assets		
Investments	11	**172,591**
Current assets		
Debtors: amounts falling due within one year	14	**1,209**
Debtors: amounts falling due after more than one year	14	**177,902**
Cash at bank and in hand		**7,949**
		187,060
Creditors: amounts falling due within one year	15	**(2,783)**
Net current assets		**184,277**
Total assets less current liabilities		**356,868**
Creditors: amounts falling due after more than one year	16	**(304,993)**
Net assets		**51,875**
Capital and reserves		
Called up share capital	20	**50,870**
Profit and loss account	21	**1,005**
Total shareholders' funds	22	**51,875**

The financial statements on pages 13 to 40 were approved by the board of directors on 24 July 2015 and were signed on its behalf by:

D P Tilstone
Director

Registered number: 09194088

Group statement of cash flows

For the period ended 31 March 2015

	Note	***Period ended 31 March 2015*** ***£000s***
Net cash inflow from operating activities	23	**27,287**
Returns on investments and servicing of finance		
Interest received		**10**
Interest paid		**(21,730)**
		(21,720)
Taxation		**(1,460)**
Capital expenditure and financial investment		
Payments to acquire tangible assets		**(908)**
Loans to associate undertaking		**(1,072)**
		(1,980)
Net cash inflow before financing		**2,127**
Financing		
Senior secured notes issued		**190,000**
Repayment of long term borrowings		**(112,093)**
Repayment of parent company loan		**(78,300)**
Net cash outflow from financing		**(393)**
Increase in cash	24	**1,734**

Notes to the financial statements

At 31 March 2015

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.

Basis of consolidation

The consolidated financial statements include the results of the company and its subsidiary undertakings (all of which are wholly owned and have uniform accounting policies) using the principles of acquisition accounting such that the results of the subsidiaries are included in the consolidated profit and loss account from the date of acquisition.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over who's operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

No separate profit and loss account is presented for the company MEIF Renewable Energy UK PLC as permitted by section 408 of the Companies Act 2006. The profit for the period attributable to the company amounted to £1,005,000.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account in the year in which they arise.

Turnover

Turnover represents the invoiced value of goods and services for electricity supplied, net of value added tax and trade discounts.

Turnover is derived from and recognised when electricity generated is exported to third party customers. Income from recycled renewable obligation certificates ('Recycled ROC') is recognised when the amount is known with reasonable certainty. Turnover generated from the sale of fertiliser is recognised on physical dispatch.

Accrued income comprises income relating to the current period, which has not been invoiced as at the balance sheet date.

Other operating income

Amounts disclosed as other income is generated from the receipt of insurance proceeds and these are recognised in the period in which the proceeds are received.

Notes to the financial statements

At 31 March 2015

1. Accounting policies (continued)

Intangible fixed assets and amortisation

Purchased goodwill arises on the acquisition of a business and represents the excess of the fair value of the consideration given over the aggregate of the fair value of the separate net assets acquired. Purchased goodwill is capitalised and stated at cost less accumulated amortisation and provisions for impairment. A review for the potential impairment of goodwill is carried out if events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. Such impairment reviews are performed in accordance with Financial Reporting Standard ('FRS') 11 'Impairment of fixed assets and goodwill'. Impairments arising are recorded in the profit and loss account.

Amortisation is calculated on a straight line basis over a period of 12 ½ years from the date of acquisition, such number of years being the directors' estimate of the period over which benefits may reasonably be expected to accrue from the acquisitions.

Tangible fixed assets

Tangible fixed assets are stated at their replacement cost less accumulated depreciation. Additions are based on the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives from acquisition 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:

Freehold land	- nil
Buildings	- over 50 years
Power Stations	- over 20 to 25 years
Plant and machinery	- over 4 to 20 years
Assets under construction	- nil

Modifications made to the power stations are depreciated on a straight line basis over the remaining useful economic lives of these modifications, commencing when the modifications are brought into use. Where projects are part of an annual overhaul the costs are capitalised and depreciated over the useful economic life whereas repairs outside of the annual overhaul are expensed.

The directors annually review their decommissioning assessment to confirm that there are not any material net liabilities or contingencies arising from the commitment to decommission the biomass power stations.

Impairment

The carrying value of the group's assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. . The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate based upon the Group's weighted average cost of capital that reflects current market assessments of the time value of money and the risks specific to the Group.

Notes to the financial statements

At 31 March 2015

1. Accounting policies (continued)

Investments

The company's investment in subsidiary 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

Stocks

Spare parts are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

Fuel stocks (MBM and litter) are valued on an average cost basis over 1 to 2 months and provision for unusable litter is reviewed monthly and applied to off-site stock.

Fuel stock of straw has been valued at the historical cost per tonne of straw. A provision for unusable straw is identified on an individual stack basis and is reviewed monthly. Stocks are currently used on a first in, first out ("FIFO") basis by age of straw.

Stocks of ash at Fibrophos are valued at the lower of cost and net realisable value to the group.

Stocks of finished goods are valued at raw material cost plus processing and storage costs, or net realisable value if lower.

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.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Pension costs

The group operates multiple defined contribution personal pension schemes for certain qualifying employees. Employee contributions of varying amounts together with employer contributions of between 3% and 10% are paid monthly to the scheme providers. These contributions are recognised as an expense in the profit and loss account when they fall due.

Notes to the financial statements

At 31 March 2015

1. Accounting policies (continued)

Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised in order to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Debt issue costs

Issue costs associated with senior secured notes are capitalised and netted off against the principal amounts. The costs are amortised over the five year term of the notes in proportion to amounts outstanding.

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.

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.

Notes to the financial statements

At 31 March 2015

2. Segmental analysis

The directors consider the business to operate in three segments, these being biomass, landfill gas and central management and administration. Turnover, operating profit and net assets are analysed by segment below.

Turnover arises solely from the group's principal activities in the United Kingdom, net of value added tax.

Period ended 31 March 2015

	Biomass	*Landfill Gas*	*Central*	*Group*
	£000s	***£000s***	***£000s***	***£000s***
Turnover	50,782	18,617	-	69,399
Operating profit/(loss)	9,158	4,899	(672)	13,385
Share of operating profit in joint venture	451	-	-	451
Operating profit /(loss): group and share of joint venture	9,609	4,899	(672)	13,836
Profit/(loss) on ordinary activities before taxation	**5,096**	**(10,149)**	**(5,256)**	**(10,309)**

As at 31 March 2015

	Biomass	*Landfill Gas*	*Central*	*Group*
	£000s	***£000s***	***£000s***	***£000s***
Net assets/(liabilities)	**44,129**	**(5,156)**	**1,055**	**40,028**

Net assets include certain assets partially offset by liabilities such as goodwill and net debt which have been allocated to the biomass and landfill gas segments proportionally based on their respective fair values at acquisition. (see note 12)

Notes to the financial statements

At 31 March 2015

3. Operating profit

Operating profit is stated after charging the following:

	Period ended 31 March 2015 £000s
Services provided by the company's auditors:	
- Fees payable for the audit of the parent company and consolidated financial statements	**42**
- Fees payable to the company's auditors and its associates for other services	
- audit services	**144**
- audit related assurance services	**20**
- tax compliance services	**15**
- other services	**4**
Depreciation of owned fixed assets	**9,357**
Loss on disposal of fixed assets	**98**
Amortisation of goodwill	**5,078**
Operating lease rentals	
– land and buildings	**276**
– other	**227**

Included within operating profit and presented as other operating income are insurance proceeds of £661,000 (2014: £nil) recovered following a loss of straw due to fire. The associated costs are included within cost of sales.

4. Directors' emoluments

Emoluments paid to directors by the company:

	Period ended 31 March 2015 £000s
Aggregate emoluments during the period	**241**
Company pension contributions	**3**

At 31 March 2015 no directors had benefits arising under the defined contribution scheme. The total emoluments of the highest paid director in office for the period were £244,000. A T Lygoe and D P Tilstone do not receive any payment for their services to the MEIF Renewable Energy UK PLC group.

Notes to the financial statements

At 31 March 2015

5. Employee information

	Period ended 31 March 2015	
	Group	Company
	£000s	£000s
Wages and salaries	**5,474**	513
Social security costs	**604**	80
Other pension costs (defined contribution payment)	**180**	10
	6,258	603

The average monthly number of persons employed by the group and company during the period is:

	Period ended 31 March 2015	
	Group	Company
Production	**200**	-
Administration	**57**	7
	257	7

6. Interest receivable and similar income

	Period ended 31 March 2015
	£000s
Interest receivable	**10**

Notes to the financial statements

At 31 March 2015

7. Interest payable and similar charges

	Period ended 31 March 2015 £000s
Interest payable on bank debt	**937**
Interest payable on senior secured notes	**1,959**
Amortisation of issue costs of senior secured notes	**120**
Interest payable to immediate parent company	**7,706**
Exceptional items	
Interest rate swap breakage costs	**12,685**
Amortised bank loan issue costs	**747**
	24,154

8. Tax on loss on ordinary activities

a) Analysis of the charge in the year.

	Period ended 31 March 2015 £000s
Current tax	
Corporation tax credit	**(473)**
Share of joint venture's current tax	**80**
Adjustments in respect of prior years	**(106)**
Total current tax	**(499)**
Deferred tax	
Origination and reversal of timing differences	**1,099**
Adjustments in respect of prior periods	**(65)**
Total deferred tax	**1,034**
Tax on profit on ordinary activities	**535**

Notes to the financial statements

At 31 March 2015

8. Tax on profit on ordinary activities (continued)

b) Factors affecting the current tax credit

The tax assessed is higher than the standard rate of corporation tax in the UK (21%). The differences are reconciled below:

	Period ended 31 March 2015 £000s
Loss on ordinary activities before tax	**(10,308)**
Loss on ordinary activities multiplied by standard rate of corporation tax of 21%	**(2,164)**
Effect of:	
Adjustments in respect of prior periods	**(106)**
Expenses not deductible for tax purposes	**2,922**
Depreciation in excess of capital allowances	**(736)**
Brought forward losses utilised	**(1,060)**
Consortium relief adjustment	**80**
Other timing differences	**565**
Total current tax	**(499)**

c) Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for the accounting period are taxed at an effective rate of 21%.

A reduction in the main rate of corporation tax to 20% from 1 April 2015 has been enacted. Consequently, deferred tax has been calculated at the year end using a rate of 20%.

Notes to the financial statements

At 31 March 2015

9. Intangible assets

As at 31 March 2015

	Goodwill
	£000s
Cost:	
On acquisition	126,950
At 31 March 2015	**126,950**
Accumulated amortisation:	
Charge for the period	5,078
At 31 March 2015	**5,078**
Net book value:	
At 31 March 2015	**121,872**

The goodwill arising on acquisitions is being amortised on a straight line basis over 12 ½ years.

The company does not hold any intangible fixed assets

10. Tangible assets

As at 31 March 2015

	Freehold land and buildings	*Power stations*	*Plant and machinery*	*Assets under construction*	*Total*
	£000s	*£000s*	*£000s*	*£000s*	*£000s*
Cost:					
On acquisition	4,541	153,836	25,839	321	184,537
Additions	-	630	199	79	908
Disposals	-	-	-	(98)	(98)
At 31 March 2015	**4,541**	**154,466**	**26,038**	**302**	**185,347**
Accumulated depreciation:					
On acquisition	-	-	-	-	-
Charge for the period	32	7,859	1,466	-	9,357
At 31 March 2015	**32**	**7,859**	**1,466**	**-**	**9,357**
Net book amounts:					
At 31 March 2015	**4,509**	**146,607**	**24,572**	**302**	**175,990**

The company owned no fixed assets during the period.

Notes to the financial statements

At 31 March 2015

11. Investments

Group

Energy Power Resources Ltd, a subsidiary of MEIF Renewable Energy UK PLC, owns 50% of the issued share capital of Yorkshire Windpower Limited as part of a 50:50 joint venture with E.ON Climate & Renewables UK Operations Limited. The principal activities of Yorkshire Windpower Limited are the ownership, maintenance and operation of two wind farms at Ovenden Moor and Royd Moor in Yorkshire and the sale of the associated electrical generation under a power purchase agreement.

	Joint venture
	£000s
On acquisition	477
Share of profit after taxation for the period	356
At 31 March 2015	**833**

Additional disclosures are given in respect of Yorkshire Windpower Limited, which exceeds certain thresholds under FRS 9 "Associate and Joint Ventures", as follows:

	31 March 2015
	£000s
Share of:	
Fixed assets	**1,941**
Current assets	**512**
Gross assets	**2,453**
Liabilities due within one year	**(195)**
Liabilities due after more than one year	**(1,425)**
Gross liabilities	**(1,620)**
Net assets	**833**

The tangible fixed assets of the joint venture were re-valued to depreciated replacement cost as part of the fair value exercise undertaken on the acquisition of the Energy Power Resources Limited group.

Share of:	
Provisions for liabilities	
Arising upon decommissioning	**265**
Share of:	
Capital commitments	
Capital expenditure contracted for at the end of the reporting period but not yet incurred	**1,895**

Notes to the financial statements

At 31 March 2015

11. **Investments** (continued)

Company

	Subsidiary undertakings £000s
Cost:	
At 26 September 2014 and 31 March 2015	172,591
Net book value:	
At 31 March 2015	**172,591**

The subsidiary companies and joint venture of the group and the company at 31 March 2015, which are all wholly owned and incorporated in Great Britain (unless indicated otherwise) are listed below.

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
MEF Renewable Energy (Holdings) Limited +	Ordinary shares	100%	Holding company
MEIF LG Holding Limited +	Ordinary shares	100%	Holding company
MEIF LG Energy Limited	Ordinary shares	100%	Holding company
MEIF LG ROC Limited	Ordinary shares	100%	Asset leasing company
CLPE Holdings Limited	Ordinary shares	100%	Holding company
CLP Envirogas Limited	Ordinary shares	100%	Provision of operating and maintenance services
CLP Developments Limited	Ordinary shares	100%	Dormant company
CLP Services Limited	Ordinary shares	100%	Dormant company
CLPE 1999 Limited	Ordinary shares	100%	Dormant company
CLPE 1991 Limited	Ordinary shares	100%	Dormant company
CLPE Projects 1 Limited	Ordinary shares	100%	Holding company
CLPE Projects 2 Limited	Ordinary shares	100%	Holding company
CLPE Projects 3 Limited	Ordinary shares	100%	Generation of electricity from landfill gas
CLPE ROC - 1 Limited	Ordinary shares	100%	Generation of electricity from landfill gas
CLPE ROC - 2 Limited	Ordinary shares	100%	Generation of electricity from landfill gas
CLPE ROC - 3 Limited	Ordinary shares	100%	Generation of electricity from landfill gas
CLPE ROC - 4 Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Bellhouse Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Chelson Meadow Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Summerston Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
United Mines Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Whinney Hill Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Beighton Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Cotesbach Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Queen’s Park Road Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Skelbrooke Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Wetherden Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Auchencarroch Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas

Notes to the financial statements

At 31 March 2015

11. Investments (continued)

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
Bolam Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Colsterworth Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Connon Bridge Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Feltwell Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Garlaff Energy Limited	Ordinary shares	100%	Dormant company
Jameson Road Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Kilgarth Energy Limited	Ordinary shares	100%	Dormant company
March Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Todhills Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Whinney Hill Energy 2 Limited	Ordinary shares	100%	Dormant company
Beetley Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Cathkin Energy Limited	Ordinary shares	100%	Generation of electricity from landfill gas
Cilgwyn Energy Limited	Ordinary shares	100%	Dormant company
Stoneyhill Energy Limited	Ordinary shares	100%	Dormant company
Snetterton Energy Limited	Ordinary shares	100%	Dormant company
CLPE ROC – 2A Limited	Ordinary shares	100%	Dormant company
CLPE ROC – 3A Limited	Ordinary shares	100%	Generation of electricity from landfill gas
CLPE ROC – 4A Limited	Ordinary shares	100%	Generation of electricity from landfill gas
MEIF Renewable Energy Newco Limited	Ordinary shares	100%	Holding company
MEIF Renewable Energy Limited	Ordinary shares	100%	Holding company
Energy Power Resources Limited	Ordinary shares	100%	Development of renewable energy projects and provision of management services
EPR Scotland Limited	Ordinary shares	100%	Operation of electricity power station
EPR Ely Limited	Ordinary shares	100%	Operation of electricity power station
EPR Eye Limited	Ordinary shares	100%	Operation of electricity power station
EPR Glanford Limited	Ordinary shares	100%	Operation of electricity power station
EPR Thetford Limited	Ordinary shares	100%	Operation of electricity power station
Fibrophos Limited	Ordinary shares	100%	Supply of fertiliser
Anglian Straw Limited	Ordinary shares	100%	Dormant company
Best Selection	Ordinary shares	100%	Dormant company
Energy Power Resources (Newco) Limited	Ordinary shares	100%	Dormant company
EPR Ely Power Limited	Ordinary shares	100%	Dormant company
Fibrowatt Limited	Ordinary shares	100%	Dormant company
Fibrowatt Group Limited	Ordinary shares	100%	Dormant company
First Renewables Limited	Ordinary shares	100%	Dormant company
Energy Power Resources Europe Sarl (France)	Ordinary shares	100%	Management of renewable energy projects
Joint venture			
Yorkshire Windpower Limited	Ordinary shares	100%	Owner and operator of two windfarms

+ Held directly by MEIF Renewable Energy UK PLC.

The directors consider the carrying value of the investments is supported by their underlying value.

Notes to the financial statements

At 31 March 2015

12. Acquisitions

On 26 September 2014 MEIF Renewable Energy UK PLC acquired 100% of the issued share capital of MEIF Renewable Energy (Holdings) Limited, and at the same time acquired 100% of the issued share capital of MEIF LG Holding Limited, creating a UK focused renewable energy portfolio of biomass and landfill gas generation assets. Both acquisitions have been accounted using the acquisition accounting method and an analysis of the each acquisition is presented separately below:

i) Analysis of the acquisition of MEIF Renewables Energy (Holdings) Limited

Net assets at the date of acquisition:

	Book value at 26 September 2014	*Fair value adjustments*		*Other*		***Provisional fair value to group at acquisition***
	£000s	*£000s*		*£000s*		***£000s***
Assets						
Tangible fixed assets	87,581	71,213	(a)	-		**158,794**
Investment in joint venture	477	-		-		**477**
Stocks	11,212	-		-		**11,212**
Debtors	23,662	-		-		**23,662**
Cash	12,837	-		-		**12,837**
Liabilities						
Creditors due within one year	(26,084)	-		2,639	(b)	**(23,445)**
Creditors due after more than one year	(32,415)	-		-		**(32,415)**
Shareholder loans	(47,193)	-		47,193	(b)	**-**
Deferred tax	(1,151)	-		-		**(1,151)**
Net assets	28,926	71,213		49,832		**149,971**
Goodwill arising on acquisition						**61,530**
						211,501
Discharged by:						
Issue of shares						**47,604**
Loan consideration						**163,897**
						211,501

Adjustment:

(a) increase in value of power stations and plant and machinery to its depreciated replacement cost at acquisition as tested for impairment.
(b) removal of shareholder loans and accrued interest at acquisition.

Notes to the financial statements

At 31 March 2015

12. **Acquisitions** (continued)

ii) Analysis of the acquisition of MEIF LG Holding Limited

Net assets at the date of acquisition:

	Book value at 26 September 2014	*Fair value adjustments*		*Other*		***Provisional fair value to group at acquisition***
	£000s	*£000s*		*£000s*		***£000s***
Assets						
Tangible fixed assets	20,818	4,925	(a)	-		**25,743**
Stocks	2,521	-		-		**2,521**
Debtors	9,584	-		-		**9,584**
Cash	11,796	-		-		**11,796**
Liabilities						
Creditors due within one year	(16,944)	-		1,369	(b)	**(15,575)**
Creditors due after more than one year	(66,607)	-		-		**(66,607)**
Shareholder loans	(18,208)	-		18,208	(b)	**-**
Deferred tax	(2,383)	-		-		**(2,383)**
Net liabilities	(39,647)	4,925		19,577		**(34,921)**
Goodwill arising on acquisition						**65,420**
						30,499
Discharged by:						
Issue of shares						**3,216**
Loan consideration						**27,283**
						30,499

Adjustment:

(a) increase in value of plant and machinery to its depreciated replacement cost at acquisition as tested for impairment.
(b) removal of shareholder loans and accrued interest at acquisition.

Notes to the financial statements

At 31 March 2015

12. Acquisitions (continued)

The financial years for both MEIF Renewable Energy (Holdings) Limited and MEIF LG Holding Limited commenced on 1 April 2014 and the summarised profit and loss account for the period 1 April 2014 to 26 September 2014 is detailed separately below for each group:

MEIF Renewable Energy (Holdings) Limited	***£000s***
Turnover	43,523
Total operating profit: group and share of joint venture	6,058
Profit on ordinary activities before taxation	2,472
Tax on profit on ordinary activities	(725)
Profit for the financial period	**1,747**

MEIF LG Holding Limited	***£000s***
Turnover	16,541
Total operating profit: group and share of joint venture	4,712
Profit on ordinary activities before taxation	1,151
Tax on profit on ordinary activities	(185)
Profit for the financial period	**966**

In the previous financial year to 31 March 2014, MEIF Renewable Energy (Holdings) Limited generated a profit of £8,552,000 and MEIF LG Holding Limited generated a profit of £4,305,000.

13. Stocks

	2015 Group £000s
Ash stock	**2,794**
Fuel, spare parts and consumables	**9,568**
	12,362

The replacement cost of stocks does not differ materially from the numbers disclosed above. The company held no stock as at period end.

Notes to the financial statements

At 31 March 2015

14. Debtors

	2015	
	Group	*Company*
	£000s	*£000s*
Amounts falling due within one year		
Trade debtors	**740**	-
Prepayments and accrued income	**26,782**	58
Amounts owed by group undertakings	**-**	283
Consortium and group relief	**-**	868
Corporation tax debtor	**1,584**	-
	29,106	1,209
Amounts falling due after more than one year		
Amounts owed by associate undertakings	**1,082**	-
Amounts owed by group undertakings	**-**	177,891
Deferred tax asset	**-**	11
	1,082	177,902

Amounts owed by group undertakings include the following loans from MEIF Renewable Energy UK PLC to subsidiary companies:

	Amount	***Interest rate***
MEIF Renewable Energy (Holdings) Limited	£47,192,800	11%
Energy Power Resources Limited	£33,266,666	7.5%
MEIF LG Energy Limited	£17,577,374	15%
MEIF LG Energy Limited	£79,854,131	7.5%

The loans are unsecured and have no fixed date of repayment.

15. Creditors: amounts falling due within one year

	2015	
	Group	*Company*
	£000s	*£000s*
Interest on senior secured notes	**1,959**	1,959
Trade creditors	**1,562**	-
Taxation and social security	**4,057**	23
Accruals and deferred income	**10,445**	801
	18,023	2,783

Notes to the financial statements

At 31 March 2015

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

	2015	
	Group	*Company*
	£'000s	*£'000s*
Senior secured notes (note 18)	**184,407**	184,407
Shareholder loan (note 19)	**120,586**	120,586
	304,993	304,993

The senior secured notes are repayable on 1 February 2020, bear interest at 6.75% and are guaranteed by the subsidiary group companies of MEIF Renewable Energy UK PLC. The shareholder loan notes are unsecured, are repayable no earlier than 1 February 2021 and bear interest at 9%.

17. Provision for liabilities

The group has a net deferred tax liability totalling £4,568,000 made up as follows:

	Group
	£000s
Capital allowances in excess of depreciation	**5,923**
Tax losses carried forward	**(1,559)**
Other timing differences	**204**
Total deferred tax	**4,568**

At 26 Sep 2014 (upon acquisition)	**3,534**
Deferred tax charge in profit and loss account	**1,034**
At 31 March 2015	**4,568**

Deferred tax assets not recognised

	Group	*Company*
	£000s	*£000s*
Tax losses carried forward	**(540)**	-

In accordance with FRS 19 "Deferred tax" no deferred tax asset has been recognised in relation to these amounts as their recoverability cannot be predicted with any degree of certainty.

Notes to the financial statements

At 31 March 2015

18. Bank loans

	2015	
	Group	*Company*
	£000s	*£000s*
Bank loan:		
Balance on acquisition	**106,654**	-
Loan principal repaid during period	**(106,654)**	-
Balance at period end	**-**	-
Senior secured notes	**184,407**	184,407

On 29 January 2015, MEIF Renewable Energy UK PLC issued £190m senior secured notes with an interest rate of 6.75% and a repayment date of 1 February 2020.

The proceeds of the notes were used to repay in full the existing bank facilities within MEIF Renewable Energy (Holdings) Limited and MEIF LG Energy Limited, both subsidiaries of MEIF Renewable Energy UK PLC.

Group and company senior secured notes are stated net of unamortised issue costs of £5,593,000. The company incurred total issue costs of £5,713,000 in respect of the senior secured notes. These costs together with the interest expense are allocated to the profit and loss account over the term of the notes. Interest is calculated using the effective interest rate method.

19. Shareholder loan

As at the incorporation of the Group, MEIF Luxembourg Renewables Sarl was the registered holder of £47,193,000 loan notes issued by MEIF Renewable Energy (Holdings) Limited on 23 September 2005. The loan notes, together with all rights and interest attached thereto, were purchased by MEIF Renewable Energy UK PLC on 26 September 2014.

As at the incorporation of the Group, MEIF Luxembourg Renewables Sarl was also the registered holder of £18,208,000 loan notes issued by MEIF LG Holding Limited on 21 February 2007. The loan notes, together with all rights and interest attached thereto, were purchased by MEIF Renewable Energy UK PLC on 26 September 2014.

MEIF Luxembourg Renewables Sarl is the registered holder of £120,585,598 loan notes issued by MEIF Renewable Energy UK PLC on 26 September 2014. The notes are unsecured and bear interest at 9% per annum. They are due to be repaid no earlier than 1 February 2021.

Notes to the financial statements

At 31 March 2015

20. Called up share capital

Group and company

	2015
	£000s
Authorised	
50,870,000 ordinary shares of £1 each	**50,870**
Allotted	
50,870,000 ordinary shares of £1 each	**50,870**

On incorporation, share capital of £50,000 was created, divided into 50,000 shares of £1 each. Of this, 50,000 shares of £1 were issued but not fully paid.

On 26 September 2014, the authorised share capital of the company was increased from £50,000 to £50,870,000 by the creation of 50,820,000 new ordinary shares of £1 each issued as part of the acquisition to MEIF Luxembourg Renewables Sarl, the company's only shareholder.

21. Profit and loss account

	Profit and loss account
	£000s
Group	
Loss for the financial period	(10,843)
Foreign exchange differences	1
At 31 March 2015	**(10,842)**

	Profit and loss account
	£000s
Company	
Profit for the financial period	1,005
At 31 March 2015	**1,005**

Notes to the financial statements

At 31 March 2015

22. Reconciliation of movements in shareholders' funds

Group

	Share capital £000s	*Profit and loss account £000s*	*Total £000s*
On incorporation	50	-	50
Issue of new shares	50,820	-	50,820
Exchange differences	-	1	1
Loss for the financial period	-	(10,843)	(10,843)
At 31 March 2015	**50,870**	**(10,842)**	**40,028**

Company

	Share capital £000s	*Profit and loss account £000s*	*Total £000s*
On incorporation	50	-	50
Issue of new shares	50,820	-	50,820
Profit for the financial period	-	1,005	1,005
At 31 March 2015	**50,870**	**1,005**	**51,875**

23. Reconciliation of operating profit to net cash inflow from operating activities

	Period ended 31 March 2015 £000s
Operating profit	**13,385**
Depreciation	**9,357**
Loss on disposal of fixed assets	**98**
Amortisation of goodwill	**5,078**
Decrease in stocks	**1,371**
Decrease in debtors	**3,409**
Decrease in creditors	**(5,411)**
Net cash inflow from operating activities	**27,287**

Notes to the financial statements

At 31 March 2015

24. Reconciliation of net cash flow to movement in net debt

(a) Movement in net debt

	Period ended 31 March 2015 £000s
Increase in cash	**1,734**
Senior secured notes issued	**(190,000)**
Debt issue costs	**5,713**
Repayment of bank loans	**112,093**
Repayment of shareholder loan	**78,300**
Non cash movements	**(134,464)**
Movement in net debt	**(126,624)**
Net debt at acquisition	**(152,002)**
Net debt at 31 March 2015	**(278,626)**

(b) Analysis of changes in net debt

	At acquisition £000s	*Cash flow £000s*	*Non-cash movements £000s*	***At 31 March 2015 £000s***
Cash at bank and in hand	24,633	1,734	-	**26,367**
Shareholder company loan				
Debt due after more than one year	(65,401)	78,300	(133,485)	**(120,586)**
Bank loans:				
Debt due within one year	(11,910)	11,910	-	**-**
Debt due after more than one year	(99,324)	100,183	(859)	**-**
Senior secured notes:				
Senior secured notes issued	-	(190,000)	-	**(190,000)**
Debt issue costs paid	-	5,713	(120)	**5,593**
Total	(152,002)	7,840	(134,464)	**(278,626)**

Non-cash movements include shareholder loan notes issued on 26 September 2014 by MEIF Renewable Energy UK PLC to MEIF Luxembourg Renewables Sarl as consideration for the acquisition of the issued share capital of MEIF Renewable Energy (Holdings) Limited and MEIF LG Holding Limited (see note 12) and capitalised interest thereon.

Notes to the financial statements

At 31 March 2015

25. Other financial commitments

At 31 March 2015, the group had annual commitments under non-cancellable operating leases as set out below:

Group	***Land and buildings £000s***	***Other £000s***
Operating leases which expire:		
Within one year	58	23
Within two and five years	-	221
After five years	218	-
	276	**244**

The company has no other financial commitments at 31 March 2015.

26. Related party transactions

As a 100% owned 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.

During the period the group received, in the normal course of business, from Yorkshire Windpower Limited, a 50% joint venture investment, £104,000 for management and accountancy services. At the period end £63,000 was outstanding.

27. Pension costs

The group contributes to a defined contribution personal pension schemes for certain qualifying employees. The costs for the period are shown in note 4. Assets of the scheme are held in independently administered funds. Outstanding contributions at 31 March 2015 amounted to £36,975.

28. Ultimate parent company

MEIF Luxembourg Renewables Sarl 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. The directors regard the ultimate controlling party to also be Macquarie European Infrastructure Fund LP.

The consolidated financial statements of Macquarie European Infrastructure Fund LP are the largest and smallest group of which the company is a member and for which group financial statements are prepared. Copies of these financial statements are available from the address above.