

GREEN ELECTRON LIMITED

Registered Number 3189155

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001



GREEN ELECTRON LIMITED

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

Contents

Page:

2 - 3	Report of the Directors
4	Statement of Directors' Responsibilities
5	Independent Auditors' Report
6	Profit and Loss Account
7	Balance Sheet
8 - 10	Notes to the Accounts

Directors

E Anderson
J R Kinsey
G L Wingrove

Secretary

R I Higson

Registered Number

3189155

Auditors

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

Registered Office

Templar House
81-87 High Holborn
London
WC1V 6NU

GREEN ELECTRON LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts of Green Electron Limited for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The company did not trade during the year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Green Electron Limited did not trade during the year, and the promotion of renewable energy sources for London Electricity Group has been and will continue to be conducted directly by its parent company London Electricity plc.

RESULT AND DIVIDEND

The loss for the financial year was £30 (2000: loss of £5,535) and the directors have not recommended the payment of a dividend.

DIRECTORS

The directors who served during the year were:

E Anderson	
J R Kinsey	(appointed 19 October 2001)
G L Wingrove	(appointed 3 September 2001)
J L Rowlands	(resigned 8 June 2001)
M Wenban	(resigned 8 June 2001)

DIRECTORS' INTERESTS

None of the directors have a service contract with the company.

No director, either during or at the end of the financial year had any interest in the shares of the Company (or other group companies) which required notification to the Company under section 324 and registration by the Company under section 325 of the Companies Act 1985.

There were no contracts of significance during or at the end of the financial year in which a director of the company was materially interested.

There are no particulars or arrangements requiring disclosure pursuant to section 232 of the Companies Act 1985.

GREEN ELECTRON LIMITED

PAYMENT OF CREDITORS

The Company's policy in respect of its suppliers is to require suppliers to accept our terms, which are displayed on our official orders, unless alternative terms of mutual benefit can be agreed.

AUDITORS

Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 Companies Act 1985.

By Order of the Board



Robert I Higson
Company Secretary

27 SEP 2002

GREEN ELECTRON LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts 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.

GREEN ELECTRON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN ELECTRON LIMITED

We have audited the Company's accounts for the year ended 31 December 2001 which comprises Profit and Loss Account, Balance Sheet and the related notes 1 to 9. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 transactions with the Company 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.

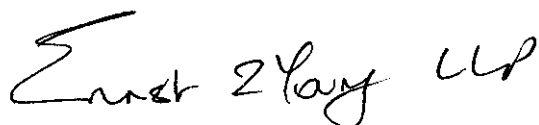
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 2001 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditors
London

27 SEP 2002

GREEN ELECTRON LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Turnover		-	77,447
Cost of sales	2	<u>-</u>	<u>(50,128)</u>
Gross profit		-	27,319
Net operating expenses	2	<u>(30)</u>	<u>(32,854)</u>
Loss on ordinary activities before taxation		(30)	(5,535)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss for the year		<u><u>(30)</u></u>	<u><u>(5,535)</u></u>

Statement of Total Recognised Gains and Losses

There were no other recognised gains and losses during the year.

GREEN ELECTRON LIMITED

BALANCE SHEET

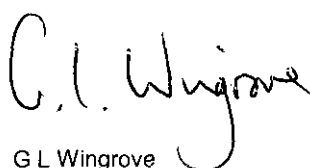
AS AT 31 DECEMBER 2001

	Note	2001 £	2000 £
Current assets			
Debtors	4	40,321	40,321
Cash at bank and in hand		877	907
		<u>41,198</u>	<u>41,228</u>
Current liabilities			
Creditors: amounts falling due within one year	5	<u>(179,032)</u>	<u>(179,032)</u>
Total assets less current liabilities		<u>(137,834)</u>	<u>(137,804)</u>
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(138,834)	(138,804)
Shareholders' deficit	8	<u>(137,834)</u>	<u>(137,804)</u>

The accompanying notes are an integral part of this balance sheet.

The accounts on pages 6 to 10 were approved by the Board of Directors on
and signed on its behalf by:

27 SEP 2002



G L Wingrove
Director

GREEN ELECTRON LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The accounts have been prepared under the going concern concept because a group undertaking has agreed to provide financial support for not less than 12 months from the date of approval of the accounts.

Related party disclosure

The Company, whose voting rights are 100% controlled by London Electricity plc, has taken advantage of the exemption available from related party disclosure requirements of FRS 8.

Accounting Standards

The company has adopted Financial Reporting Statement No 18 (FRS 18) with effect from 1 January 2001. Adoption FRS 18 has not had any effect on the results for the year or required any restatement of prior year comparatives.

Turnover

Turnover, which excludes value added tax, represents the invoiced premiums charged to customers and the levies receivable from suppliers of renewable energy. Turnover is all in respect of sales to customers in the United Kingdom.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Cash flow statement

In accordance with Financial Reporting Standard 1 (Revised) the Company has not prepared a statement of cashflows for the current year as it is a wholly owned subsidiary of a company whose accounts are publicly available.

2. OPERATING EXPENSES

The directors consider that the nature of the business is such that the analysis of income and expenses shown is more informative than that set out in the formats in the Companies Act 1985.

	2001 £	2000 £
Cost of sales -		
Generator payments	-	(27,928)
Renewable Fund	-	(22,200)
Gross Margin	-	(50,128)
Operating Overheads	(30)	(32,854)

The operating overheads include auditors' remuneration of £Nil (2000 - £500). Auditors' remuneration for the year ended 31 December 2001 is included within the audit charge to London Electricity Group plc.

GREEN ELECTRON LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001

3. DIRECTORS AND EMPLOYEES

(a) There were no employees during the year (2000: Nil).

(b) The directors received no emoluments during the year (2000: £Nil).

4. DEBTORS

	2001 £	2000 £
Amounts owed by group undertakings	40,321	27,309
Prepayments and accrued income	-	13,012
	<u>40,321</u>	<u>40,321</u>

5. CREDITORS : amounts falling due within one year

	2001 £	2000 £
Amounts owed to group undertakings	71,828	-
Trade creditors	107,204	107,204
Other creditors	-	1,978
Accruals and deferred income	-	69,850
	<u>179,032</u>	<u>179,032</u>

6. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
'A' ordinary shares of £1 each	900	900
'B' ordinary shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
'A' ordinary shares	900	900
'B' ordinary shares	100	100
	<u>1,000</u>	<u>1,000</u>

The holders of a majority of the 'A' shares are entitled to appoint three directors; the holders of a majority of the 'B' shares are entitled to appoint one director. In all other respects 'A' and 'B' shares rank pari passu.

7. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 2001	(138,804)
Loss for the year	(30)
Balance at 31 December 2001	<u><u>(138,834)</u></u>

GREEN ELECTRON LIMITED
NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2001

8. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	12 Months to 31.12.01 £	12 Months to 31.12.00 £
Opening shareholders' funds	(137,804)	(132,269)
Loss for the period	(30)	(5,535)
Closing shareholders' funds	<u>(137,834)</u>	<u>(137,804)</u>

9. ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of Green Electron Limited is London Electricity plc, which is registered in England and Wales.

At 31 December 2001 "Electricité de France" (EdF), a French state owned company, is regarded by the directors as the Company's ultimate parent company. Copies of that company's consolidated accounts may be obtained from Electricité de France, 22-30 Avenue de Wagram, 75382 Paris, Cedex 08, France.