

Green Electron Limited

REPORT AND ACCOUNTS

For the year ended 31 December 1999



Registered number:

3189155

Green Electron Limited

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

CONTENTS

Directors' Report	1
Registered Office and Advisers	3
Statement of Directors' Responsibilities	4
Auditors' Report	5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Accounts	8

DIRECTORS' REPORT

The directors present their report and the audited accounts of Green Electron Limited for the year ended 31 December 1999.

PRINCIPAL ACTIVITY

The principal activity of Green Electron Limited is the promotion of renewable energy sources for London Electricity Plc's electricity supply business.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Green Electron was the first green tariff to be offered to domestic and small business customers by an electricity company in the UK, providing domestic and small business customers with the option of supporting "green" or renewable forms of energy generation.

The Company commenced trading on 8th October 1997. Trading income is derived from a voluntary fixed premium applied to a customer's electricity supply bill, and from levies placed on suppliers of renewable energy. The pilot trial ran successfully, from October 1997 to October 1998, enlisting in excess of 2000 customers. As a result of this, the scheme was made a permanent choice for customers, both within the South West and subsequently throughout the UK with the opening of the electricity market during 1999.

SWEB's share in Green Electron was included as part of the sale of SWEB's supply business to London Electricity plc which completed on 30 September 1999.

RESULT AND DIVIDEND

The loss for the year after taxation amounted to £31,893. The directors have not recommended the payment of a dividend.

DIRECTORS

The directors who served during the year were:

	<u>Appointed</u>	<u>Resigned</u>
John L Rowlands		
Charles P Saunders		30/09/99
Vivienne A Harris	2/02/99	30/11/99
Elisabeth Anderson	30/09/99	
Martin Wenban	30/09/99	

DIRECTORS' INTERESTS

As at 31 December 1999 and throughout the year no director 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.

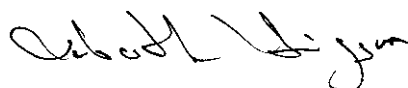
DIRECTORS' REPORT (CONTINUED)

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.

YEAR 2000

The Company continues to undertake a review of its systems and software to ensure Year 2000 compliance. Costs incurred to date, and future costs required to complete this review are not believed to have a material effect on the ongoing profitability of the Company.



By Order of the Board
Robert Ian Higson
Company Secretary

Green Electron Limited
Templar House
81-87 High Holborn
London
WC1V 6NU

27 October 2000

REGISTERED OFFICE AND ADVISERS

Registered Office

Green Electron Limited
Templar House
81-87 High Holborn
London
WC1V 6NU

Telephone 020 7242 9050

Company Secretary: Robert Ian Higson

Auditors

Arthur Andersen/Binder Hamlyn
Broad Quay House
Broad Quay
Bristol
BS1 4DJ

Solicitors

Osborne Clarke
50 Queen Charlotte Street
Bristol
BS1 4HE

Bankers

Barclays Bank Plc
PO Box 207
Bristol
BS99 7AJ

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.

To the Shareholders of Green Electron Limited:

We have audited the accounts on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of opinion

We conducted our audit in accordance with 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 at 31 December 1999 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors

Broad Quay House
Broad Quay
Bristol
BS1 4DJ

27 October 2000

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1999

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
Turnover		80,481	64,280
Cost of sales	2	<u>(55,718)</u>	<u>(30,469)</u>
Gross profit		24,763	33,811
Net operating expenses	2	<u>(58,656)</u>	<u>(69,612)</u>
Loss on ordinary activities before taxation		(33,893)	(35,801)
Tax on loss on ordinary activities		<u>0</u>	<u>0</u>
Loss for the year		<u>(33,893)</u>	<u>(35,801)</u>

Recognised gains and losses

The Company has no recognised gains and losses other than the losses for each year.

All activities are continuing.

Movements in reserves are set out in note 7.

The accompanying notes are an integral part of this profit and loss account.

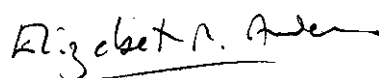
BALANCE SHEET

As at 31 December 1999

	<u>Note</u>	<u>1999</u> £	<u>1998</u> £
Current assets			
Debtors	4	16,513	9,389
Cash at bank and in hand		<u>938</u>	<u>984</u>
		17,451	10,373
Creditors: amounts falling due within one year	5	<u>(149,720)</u>	<u>(108,749)</u>
Net current liabilities		<u>(132,269)</u>	<u>(98,376)</u>
Capital and Reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	<u>(133,269)</u>	<u>(99,376)</u>
Equity shareholders' funds	8	<u>(132,269)</u>	<u>(98,376)</u>

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

The accounts on pages 6 to 11 were approved by the Board of Directors on 27 Oct 2000 and were signed on its behalf by:



Director

NOTES TO THE ACCOUNTS

For the year ended 31 December 1999

1 ACCOUNTING POLICIESBasis 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 90% controlled by London Electricity Plc, has taken advantage of the exemption available from related party disclosure requirements of Financial Reporting Standard No. 8.

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.

Deferred taxation arises in respect of items where there is a timing difference between their treatment for accounting purposes and their treatment for taxation purposes. Provision for deferred taxation is made on all timing differences which are expected to reverse in the foreseeable future without being replaced.

Cash flow statement

There is no statement of cashflows as the Company is a subsidiary of London Electricity Plc which is registered in England and Wales and which includes a consolidated cashflow statement in its accounts. This treatment is permitted by Financial Reporting Standard No. 1 (Revised) as London Electricity Plc holds 90% of the voting rights in the Company and its accounts are publicly available from Companies House.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 December 1999

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 set out in the formats in the Companies Act 1985.

	<u>31.12.99</u>	<u>31.12.98</u>
	<u>£</u>	<u>£</u>
Green Electron Income	80,481	64,280
Cost of sales -		
Generator payments	(29,249)	(15,163)
Levy benefits payments	(4,269)	(8,906)
Renewable Fund	(22,200)	(6,400)
Gross Margin	<u>24,763</u>	<u>33,811</u>
Operating Overheads	<u>(58,656)</u>	<u>(69,612)</u>
Net Loss	<u>(33,893)</u>	<u>(35,801)</u>

The operating overheads include auditors' remuneration of £4,500 (1998 - £4,075).

3 DIRECTORS AND EMPLOYEES

- (a) There were no employees during the year. (1998: Nil)
- (b) The directors received no emoluments during the year. (1998: Nil)

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 December 1999

4 DEBTORS

	<u>1999</u>	<u>1998</u>
	£	£
Amounts owed by group undertakings	3,504	0
VAT recoverable	0	4,389
Prepayments and accrued income	13,009	5,000
	<u>16,513</u>	<u>9,389</u>

5 CREDITORS : amounts falling due within one year

	<u>1999</u>	<u>1998</u>
	£	£
Trade creditors	107,204	81,368
Other creditors	1,289	10,562
Accruals and deferred income	41,227	16,819
	<u>149,720</u>	<u>108,749</u>

6 CALLED UP SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
<i>Authorised</i>		
'A' ordinary shares of £1 each	900	900
'B' ordinary shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
'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*.

NOTES TO THE ACCOUNTS (CONTINUED)

For the year ended 31 December 1999

7 PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 1999	<u>(99,376)</u>
Loss for the year	<u>(33,893)</u>
Balance at 31 December 1999	<u><u>(133,269)</u></u>

8 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	<u>12 Months</u> <u>to 31.12.99</u> £	<u>12 Months</u> <u>to 31.12.98</u> £
Opening shareholders' funds	(98,376)	(62,575)
Loss for the period	<u>(33,893)</u>	<u>(35,801)</u>
Closing shareholders' funds	<u><u>(132,269)</u></u>	<u><u>(98,376)</u></u>

9 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking of Green Electron Limited is London Electricity Plc which is registered in England & Wales. The ultimate parent undertaking is EDF International SA, which is incorporated in Paris, France.

As at 31 December 1999 the smallest group in which the results of Green Electron Limited are consolidated is that headed by London Electricity Plc, which is registered in England and Wales. Copies of these accounts may be obtained from Companies House. The largest group in which the results of Green Electron Limited are consolidated is that headed by EDF International SA. Copies of these accounts may be obtained from :

EDF International SA
30 Rue Jacques-Ibert
75858
Paris
Cedex H
France