

GREEN ELECTRON LIMITED

Registered number 3189155

REPORT AND ACCOUNTS

For the year ended 31 December 2000



GREEN ELECTRON LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

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GREEN ELECTRON LIMITED

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

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

Bankers

Barclays Bank Plc
PO Box 207
Bristol
BS99 7AJ

DIRECTORS' REPORT

The directors present their report and the audited accounts of Green Electron Limited for the year ended 31 December 2000.

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.

Trading income is derived from a voluntary fixed premium applied to a customer's electricity supply bill.

COMPANY OWNERSHIP

As of 8 June 2001 London Electricity plc acquired the remaining 10% interest which Sidney C. Banks plc had in the company. From that date Green Electron Limited became wholly owned by London Electricity plc.

RESULT AND DIVIDEND

The loss for the financial year was £5,535 (1999: £33,893). The directors have not recommended the payment of dividend.

DIRECTORS

The directors who served during the year were:

Elisabeth Anderson	
Gerald L Wingrove	(appointed 3 September 2001)
John L Rowlands	(resigned 8 June 2001)
Martin 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.

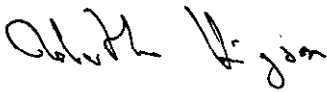
PAYMENT OF CREDITORS

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

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. 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 Ian Higson
Company Secretary

4th September 2001

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; 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.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF GREEN ELECTRON LIMITED

We have audited the accounts on pages 7 to 11 which have been prepared under the historical cost convention and on the accounting policies set out on page 9.

Respective responsibilities of Directors and Auditors

As described on page 5 the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. 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 as at 31 December 2000 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP.

Ernst & Young LLP
Registered Auditors

12 September, 2001.

GREEN ELECTRON LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Turnover		77,447	80,481
Cost of sales	2	<u>(50,128)</u>	<u>(55,718)</u>
Gross profit		27,319	24,763
Net operating expenses	2	<u>(32,854)</u>	<u>(58,656)</u>
Loss on ordinary activities before taxation		(5,535)	(33,893)
Tax on loss on ordinary activities		<u>0</u>	<u>0</u>
Loss for the year		<u><u>(5,535)</u></u>	<u><u>(33,893)</u></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.

GREEN ELECTRON LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2000

	Note	2000 £	1999 £
Current assets			
Debtors	4	40,321	16,513
Cash at bank and in hand		907	938
		<u>41,228</u>	<u>17,451</u>
Current Liabilities			
Creditors: amounts falling due within one year	5	<u>(179,032)</u>	<u>(149,720)</u>
Net liabilities		<u>(137,804)</u>	<u>(132,269)</u>
Capital and Reserves			
Called up share capital	6	1,000	1,000
Profit and loss account	7	(138,804)	(133,269)
Shareholders' deficit	8	<u>(137,804)</u>	<u>(132,269)</u>

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

The accounts on pages 7 to 11 were approved by the Board of Directors on
and signed on its behalf by:

1st September 2001

Kizabatu A. Andem

Director

GREEN ELECTRON LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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 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 100% of the voting rights in the Company and its accounts are publicly available from Companies House.

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.

	2000 £	1999 £
Cost of sales -		
Generator payments	(27,928)	(29,249)
Levy benefits payments	0	(4,269)
Renewable Fund	(22,200)	(22,200)
Gross Margin	<u>(50,128)</u>	<u>(55,718)</u>
Operating Overheads	<u>(32,854)</u>	<u>(58,656)</u>

The operating overheads include auditors' remuneration of £500 (1999 - £4,500).

3 DIRECTORS AND EMPLOYEES

- (a) There were no employees during the year. (1999: Nil)
- (b) The directors received no emoluments during the year. (1999: Nil)

4 DEBTORS

	2000 £	1999 £
Amounts owed by group undertakings	27,309	3,504
VAT recoverable	0	0
Prepayments and accrued income	13,012	13,009
	<u>40,321</u>	<u>16,513</u>

5 CREDITORS : amounts falling due within one year

	2000 £	1999 £
Trade creditors	107,204	107,204
Other creditors	1,978	1,289
Accruals and deferred income	69,850	41,227
	<u>179,032</u>	<u>149,720</u>

6 CALLED UP SHARE CAPITAL

	2000 £	1999 £
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 2000	(133,269)
Loss for the year	(5,535)
Balance at 31 December 2000	<u>(138,804)</u>

8 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	12 Months to 31.12.00 £	12 Months to 31.12.99 £
Opening shareholders' funds	(132,269)	(98,376)
Loss for the period	(5,535)	(33,893)
Closing shareholders' funds	<u>(137,804)</u>	<u>(132,269)</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 2000 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