

**GREEN ELECTRON LIMITED**

**Registered Number 3189155**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2002**



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### Directors

Humphrey AE Cadoux-Hudson  
Peter S Hofman  
Paul T Clarke-Walker

### Secretary

Robert I Higson

### Auditors

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

### Registered Office

40 Grosvenor Place  
Victoria  
London  
SW1X 7EN

## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2002.

### Principal activity and review of the business

The Company was established for the promotion of renewable energy sources and provided domestic and small business customers with the option of supporting renewable forms of energy generation.

The Company was non-trading during the year ended 31 December 2002.

### Results and dividends

There were no trading results for the year, however balances written back have led to a profit after taxation of £96,484 for the year (2001: loss of £30).

### Future developments

The Company is expected to remain non-trading.

### Directors and their interests

Directors who held office during the year or subsequently were as follows:

Humphrey AE Cadoux-Hudson	(Appointed 1 September 2003)
Peter S Hofman	(Appointed 1 April 2003)
Paul T Clarke Walker	(Appointed 1 April 2003)
Elizabeth Anderson	(Resigned 28 March 2003)
Jonathan R Kinsey	(Resigned 30 September 2002)
Gerald L Wingrove	(Resigned 30 September 2002)

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.

The directors did not have an interest in the shares of the Company or any other Group company during the year.

### Political and charitable contributions

During the year the Company made no political or charitable contributions.

## DIRECTORS' REPORT Continued

### Creditors payment policy

The Company's current policy concerning the payment of the majority of its trade creditors and other suppliers is to:

- settle the terms of payment with those creditors/suppliers when agreeing the terms of each transaction;
- ensure that those creditors/suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with its contractual and other legal obligations.

The payment policy applies to all payments to creditors/suppliers for revenue, and capital supplies of goods and services without exception.

### Fundamental accounting concepts

The directors believe the Company has adequate resources to continue in operational existence for the foreseeable future, as EDF Energy plc (formerly London Electricity Group plc), a parent company, has agreed to continue to support the Company financially and not to recall amounts advanced to the Company until the claims of all creditors have been met. Accordingly, the financial statements have been prepared under the going concern concept.

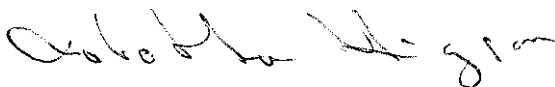
### Equal opportunities

The Company is fully committed to ensuring that all current and potential future employees and customers are treated fairly and equally, regardless of their gender, marital status, disability, race, colour, nationality or ethnic origin. The Company provides equal opportunities for employment, training and development, having regard to particular aptitudes and abilities. In the event of employees becoming disabled during employment, where possible, assistance and retraining is given so that they may attain positions compatible with their ability.

### 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 of the Companies Act 1985.

By order of the Board



Robert Ian Higson

Secretary

Date 16 DEC 2003

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements 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 financial statements, 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; and
- prepare the financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN ELECTRON LIMITED**

We have audited the Company's financial statements for the year ended 31 December 2002 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 10. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **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 financial statements in accordance with applicable United Kingdom law and accounting standards.

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

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

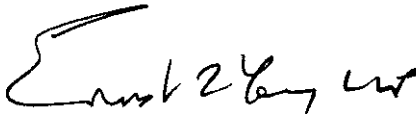
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREEN ELECTRON  
LIMITED Continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Ernst & Young LLP', is written over the printed name of the auditor.

Ernst & Young LLP  
Registered Auditor  
London

Date **18 DEC 2003**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2002**

	<i>Note</i>	2002 £	2001 £
<b>Administrative expenses</b>		<b>137,834</b>	<b>(30)</b>
<b>Operating profit/(loss)</b>		<b>137,834</b>	<b>(30)</b>
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>137,834</b>	<b>(30)</b>
Tax on profit on ordinary activities	4	<b>(41,350)</b>	-
<b>Profit/(loss) retained for the financial year</b>	<b>8</b>	<b>96,484</b>	<b>(30)</b>

There were no recognised gains or losses other than the profit of £96,484 for the year ended 31 December 2002 (2001: loss of £30).



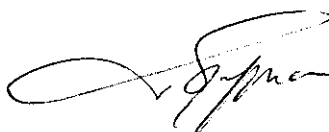
**BALANCE SHEET**  
**AT 31 DECEMBER 2002**

	<i>Note</i>	2002 £	2001 £
<b>Current assets</b>			
Debtors falling due within one year	5	-	40,321
Cash		-	877
		-	41,198
<b>Creditors (amounts falling due within one year)</b>	6	<b>(41,350)</b>	(179,032)
<b>Net liabilities</b>		<b>(41,350)</b>	(137,834)
<b>Capital and reserves</b>			
Called up share capital	7	<b>1,000</b>	1,000
Profit and loss account	8	<b>(42,350)</b>	(138,834)
<b>Equity shareholder's deficit</b>		<b>(41,350)</b>	(137,834)

The financial statements on pages 7 to 12 were approved by the Board of Directors and were signed on its behalf by:



Humphrey A E Cadoux-Hudson  
Director  
Date 18 DEC 2003



Peter S Hofman  
Director  
Date 18 DEC 2003

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

In preparing the financial statements for the current year, the Company has adopted FRS 19 'Deferred taxation'.

#### Fundamental accounting concepts

The financial statements have been prepared under the going concern concept because London Energy plc (formerly London Electricity plc), the parent company, has agreed to continue to support the Company financially and not to recall amounts advanced to the Company until the claims of all creditors have been met.

#### Cash flow statement

The Company is exempt from preparing a cash flow statement under the terms of FRS 1 'Cash flow statements (revised 1996)' as it is a member of a group which produces publicly available financial statements.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, this is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses.
- Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over or eliminated by capital losses.
- 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 difference can be deducted.

Deferred tax is measured on a discounted 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 substantively enacted at the balance sheet date.

Previously deferred tax was provided for in respect of timing differences to the extent that it was probable that a liability would crystallise in the foreseeable future.

### 2. Directors' emoluments

None of the directors are directly employed by Green Electron Limited, and they did not receive any remuneration from the Company during the year.

NOTES TO THE FINANCIAL STATEMENTS continued

**3. Staff costs**

There were no employees during the year (2001: nil).

**4. Tax on profit on ordinary activities**

(a) Analysis of tax charge in the year

**UK current tax**

	2002 £	2001 £
Group relief payable	(41,350)	-
Tax charge on profit on ordinary activities	(41,350)	-

(b) Factors affecting tax charge for the year:

	2002 £	2001 £
The tax assessed for the period is at the standard rate of corporation tax in the UK (30%).		
Profit/(loss) on ordinary activities before tax	137,834	(30)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(41,350)	9
Tax losses incurred	-	(9)
Current tax charge for the period	(41,350)	-

**5. Debtors**

	2002 £	2001 £
Amounts owed by other group companies	-	40,321

NOTES TO THE FINANCIAL STATEMENTS continued

6. Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	-	(107,204)
Amounts owed to other group companies	(41,350)	(71,828)
	(41,350)	(179,032)

7. Share capital

Authorised

	2002	2001
	£	£
'A' Ordinary shares of £1 each	900	900
'B' Ordinary shares of £1 each	98	98
Ordinary shares of £1 each	2	2
	1,000	1,000

Allotted, called up and fully paid

	2002	2001	2002	2001
	Number	Number	£	£
'A' Ordinary shares of £1 each	900	900	900	900
'B' Ordinary shares of £1 each	98	98	98	98
Ordinary shares of £1 each	2	2	2	2

8. Reconciliation of shareholder's funds and movement on reserves

	Share capital	Profit and loss account	Total shareholder's deficit
	£	£	£
At 1 January 2002	1,000	(138,834)	(137,834)
Profit for the year	-	96,484	96,484
At 31 December 2002	1,000	(42,350)	(41,350)

**NOTES TO THE FINANCIAL STATEMENTS continued**

**9. Related parties**

In accordance with FRS 8 'Related Party Disclosures', the Company is exempt from disclosing transactions with entities that are part of the group or investees of the group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

**10. Parent undertaking and controlling party**

London Energy plc (formerly London Electricity plc) holds a 100% interest in Green Electron Limited and is considered to be the immediate parent company. The smallest group for which consolidated financial statements are prepared is that headed by EDF Energy plc (formerly London Electricity Group plc).

At 31 December 2002 'Electricité de France' (EdF), a French state owned company is regarded by the directors as the Company's ultimate parent company. This is the largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.