

Chelson Meadow Energy Limited  
Directors' report and financial statements  
for the year ended 31 December 2001

Registered Number 03363593



Chelson Meadow Energy Limited  
Directors' report and financial statements  
for the year ended 31 December 2001

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# **Chelson Meadow Energy Limited**

## **Directors and Advisors for the year ended 31 December 2001**

### **Directors**

R D Holmes  
R E Swanson  
D R Wilson  
D H FitzHerbert (appointed 14 November 2001)  
A T West (appointed 14 November 2001)  
H H P Wyndham (appointed 14 November 2001)

### **Secretary**

A Pentecost (appointed 14 November 2001)

### **Auditors**

PricewaterhouseCoopers  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Solicitors**

Eversheds  
115 Colmore Row  
Birmingham  
West Midlands  
B3 3AL

### **Registered Office**

20-22 Queen Street  
Mayfair  
London  
W1J 5PR

### **Registered Number**

03363593

# **Chelson Meadow Energy Limited**

## **Directors' report for the year ended 31 December 2001**

The directors present their report and the audited financial statements for the year ended 31 December 2001.

### **Principal activities**

The company is engaged in the business of generating electricity from landfill gas.

### **Business review and future developments**

The profit for the year was £92,900 (year ended 31 December 2000 : £138,539).

The directors do not recommend the payment of a dividend (year ended 31 December 2000: £nil).

The company experienced a fall in turnover as a result of flooding during the year. This is not expected to be a recurring problem and turnover should return to previous levels during 2002.

### **Directors and their interests**

The directors who held office during the year are given below:

R D Holmes

R E Swanson

D R Wilson

D H FitzHerbert (appointed 14 November 2001)

A T West (appointed 14 November 2001)

H H P Wyndham (appointed 14 November 2001)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The interests of the directors who held office at the end of the financial year in shares of other group companies are disclosed in the directors' report of the intermediate holding company CLPE Holdings Limited.

### **Statement of directors' responsibilities**

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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

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 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.

## **Chelson Meadow Energy Limited**

### **Auditors**

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

**By order of the board**

A handwritten signature in black ink, appearing to read 'D H FitzHerbert', written over the printed name.

**D H FitzHerbert**  
**Director**

12 November 2002

# **Chelson Meadow Energy Limited**

## **Independent auditors' report to the members of Chelson Meadow Energy Limited**

We have audited the financial statements which comprise profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

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 is not disclosed.

### **Basis of audit 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 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.

### **Opinion**

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



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Manchester  
12 November 2002

## Chelson Meadow Energy Limited

### Profit and loss account for the year ended 31 December 2001

Continuing	Notes	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Turnover		600,603	749,578
Cost of sales		(340,605)	(364,016)
Gross profit		259,998	385,562
Administrative expenses		(20,124)	(30,696)
Operating profit		239,874	354,866
Interest payable and similar charges	4	(105,017)	(156,403)
Profit on ordinary activities before taxation	1	134,857	198,463
Taxation	5	(41,957)	(59,924)
Profit on ordinary activities after taxation		92,900	138,539
Retained profit brought forward		265,032	126,493
Retained profit carried forward		357,932	265,032

The company had no recognised gains or losses in the current year other than those passing through the profit and loss account.

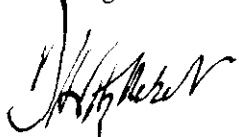
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

# Chelson Meadow Energy Limited

## Balance sheet as at 31 December 2001

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	6	1,558,927	1,687,051
<b>Current assets</b>			
Debtors	7	357,216	656,863
Creditors: amounts falling due within one year	8	(115,149)	(157,262)
<b>Net current assets</b>		242,067	499,601
<b>Total assets less current liabilities</b>		1,800,994	2,186,652
Creditors: amounts falling due after more than one year	9	(1,300,337)	(1,798,580)
Provisions for liabilities and charges	10	(132,725)	(113,040)
<b>Net assets</b>		367,932	275,032
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Retained profit		357,932	265,032
<b>Equity shareholders' funds</b>	12	367,932	275,032

The financial statements on pages 5 to 12 were approved by the board of directors on 12 November 2002 and were signed on its behalf by:



**D H FitzHerbert**  
Director



# **Chelson Meadow Energy Limited**

## **Statement of accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost. Finance costs incurred during the development stage of a project are capitalised. Once the project is commissioned, finance costs are amortised over the estimated useful economic life of the asset constructed.

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal installments over their estimated useful economic lives from commissioning as follows:

Plant and machinery	15 years
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### **Taxation**

The charge for taxation is based on the profit and loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual asset/liability will crystallise.

### **Turnover**

Turnover is derived from and recognised when electricity generated is exported to third party customers. All turnover arises solely within the United Kingdom.

### **Cash flow statement**

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that more than 90% of the voting rights are controlled within the group and a consolidated cash flow statement is included in CLPE Holding Limited's financial statements, which are publicly available.

### **Related party transactions**

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose related party transactions with group entities on the grounds that more than 90% of the voting rights are controlled within the group and the consolidated financial statements of CLPE Holdings Limited are publicly available.

# Chelson Meadow Energy Limited

## Notes to the financial statements for the year ended 31 December 2001

### 1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Auditors' remuneration	2,088	2,022
Depreciation of tangible fixed assets	128,124	116,845

Fees paid to PricewaterhouseCoopers for non-audit services were £300 (2000: £250).

### 2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (2000: £nil).

### 3 Staff numbers and costs

No staff were employed by the company during the year (2000: £nil)

### 4 Interest payable and similar charges

	2001 £	2000 £
On loan from CLPE 1991 Limited (Ridgewood Renewables Limited)	11,378	44,116
On loan from CLPE Projects 1 Limited (Ridgewood Renewable Projects Limited)	-	85,132
On loan from CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	93,639	27,155
	105,017	156,403

# Chelson Meadow Energy Limited

## 5 Taxation

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Group relief payable at 30% (2000:30%)	22,272	34,204
Deferred tax charge - current year	19,685	26,998
Corporation tax charge for year	-	(1,278)
	<b>41,957</b>	<b>59,924</b>

It is the policy of the company, and other group undertakings, to record a tax charge or credit in the profit and loss account calculated at the tax rate prevailing in the year for tax payable to the Inland Revenue, or for group relief to be received from or surrendered to other group undertakings.

## 6 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
<b>At 31 December 2001 and 31 December 2000</b>	<b>1,921,867</b>
<b>Depreciation</b>	
At 31 December 2000	234,816
Charge for the year	128,124
<b>At 31 December 2001</b>	<b>362,940</b>
<b>Net book value</b>	
<b>At 31 December 2001</b>	<b>1,558,927</b>
<b>At 31 December 2000</b>	<b>1,687,051</b>

# Chelson Meadow Energy Limited

## 7 Debtors

	2001 £	2000 £
Trade debtors	48,288	64,448
Amounts due from CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	264,650	524,011
Prepayments and accrued income	44,278	68,404
	<b>357,216</b>	<b>656,863</b>

## 8 Creditors: amounts falling due within one year

	2001 £	2000 £
Amounts due to CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	36,770	86,773
Trade creditors	12,478	19,392
Other taxation and social security	18,406	24,385
Accruals and deferred income	25,223	25,172
Amounts due to group undertakings	22,272	1,540
	<b>115,149</b>	<b>157,262</b>

## 9 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Loan from CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	1,300,337	1,337,107
Loan from CLPE 1991 Limited (Ridgewood Renewables Limited)	-	461,473
	<b>1,300,337</b>	<b>1,798,580</b>
Loans from parent companies can be analysed as falling due:		
In one year or less, or on demand	36,770	86,773
Between one and two years	77,820	95,941
Between two and five years	282,130	223,428
In five years or more	940,387	1,017,738
	<b>1,337,107</b>	<b>1,423,880</b>

Interest is payable on the debt at 7.17%.

# Chelson Meadow Energy Limited

## 10 Provisions for liabilities and charges

### Deferred taxation

	2001 £	2000 £
At beginning of year	113,040	87,320
Charge for the year	19,685	25,720
At end of year	132,725	113,040

Deferred tax is provided in respect of capital allowances in excess of depreciation.  
There is no unprovided deferred taxation as at 31 December 2001 (2000: £nil).

## 11 Called up share capital

	2001 £	2000 £
<b>Authorised</b>		
10,000 ordinary shares of £1 each	10,000	10,000
<b>Allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	10,000	10,000

## 12 Reconciliation of movement in equity shareholders' funds

	2001 £	2000 £
Retained profit for the financial year	92,900	138,539
Opening equity shareholders' funds	275,032	136,493
Closing equity shareholders' funds	367,932	275,032

## **Chelson Meadow Energy Limited**

### **13 Commitments and guarantees**

There were no capital commitments at the end of the financial year (31 December 2000: £nil).

The company has guaranteed the bank loans of its intermediate parent company, CLPE Projects 2 Limited, and its fellow subsidiaries amounting to £10,551,555 (2000: £6,840,122) by means of a debenture providing fixed and floating charges over the company's assets.

### **14 Ultimate parent and controlling company**

The company's ultimate parent company is "The Ridgewood Electric Power Trust V" an entity which is registered in the United States. Ridgewood Energy Holdings Corporation, a company registered and incorporated in the United States is the Corporate Trustee of the Trust. The directors consider that Ridgewood Energy Holdings Corporation is the ultimate controlling party of the company at 31 December 2001.

The company's immediate parent undertaking is CLPE Projects 1 Limited, a company incorporated and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by CLPE Holdings Limited. The largest group in which the results of the company are consolidated is that headed by Ridgewood Power LLC.

The consolidated financial statements of CLPE Holdings Limited are available from 20-22 Queen Street, Mayfair, London, W1J 5PR.

### **15 Related party transactions**

The following transactions took place between the company and related undertakings during the year.

The company paid £115,897 (2000: £126,836) for operations and maintenance costs to CLP Envirogas Limited (formerly Ridgewood CLP Management Limited) for the year.

The company paid £7,975 (2000: £10,394) for administration costs to CLP Services Limited for the year.

Prior to 16 October 2001, CLP Envirogas Limited was owned 50% by the company's intermediate parent undertaking CLPE Holdings Limited (formerly Ridgewood UK Limited), the other 50% being held by the parent company of CLP Services Limited.