

Chelson Meadow Energy Limited
Directors' report and financial statements
for the year ended 31 December 2006

Registered Number 03363593

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Chelson Meadow Energy Limited
Directors' report and financial statements
for the year ended 31 December 2006

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Chelson Meadow Energy Limited

Directors and advisors

Directors

H H P Wyndham
R D Holmes (resigned 22 February 2007)
R E Swanson (resigned 22 February 2007)
D R Wilson (resigned 22 February 2007)
A T West (resigned 22 February 2007)
E J Wilkinson (appointed 22 February 2007)
D P Tilstone (appointed 22 February 2007, resigned 17 May 2007)

Secretary

A H Pentecost (resigned 27 March 2007)
Eversecretary Limited (appointed 27 March 2007)

Auditors

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
4 Hardman Square
Spinningfields
Manchester
M3 3EB

Solicitors

Eversheds LLP
115 Colmore Row
Birmingham
West Midlands
B3 3AL

Registered Office

Units 14 & 15 Queensbrook
Bolton Technology Exchange
Spa Road
Bolton
BL1 4AY

Registered Number

03363593

Chelson Meadow Energy Limited

Directors' report for the year ended 31 December 2006

The directors present their report and the audited financial statements for the year ended 31 December 2006

Principal activities

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

Dividend

The directors do not recommend the payment of a dividend (2005 nil)

Business review and future developments

The profit for the year after taxation and before dividends was £301,502 (2005 £324,832)

The results and financial position at the year end were satisfactory and the directors expect the current level of business to be maintained in the foreseeable future

Events since the balance sheet date

On 22 February 2007, Chelson Meadow Energy Limited's intermediate parent company, CLPE Holdings Limited, was acquired by MEIF LG Energy Limited, a company registered in the United Kingdom

Following on from the acquisition by MEIF LG Energy Limited, Chelson Meadow Energy Limited has changed its financial year end to 31 March, its next financial statements will be prepared for the 15 months ended 31 March 2008

Directors

The directors who served during the year and changes since 31 December 2006 are shown on page 1

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and regulations

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 the financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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

Statement of directors' responsibilities (cont)

In so far as the directors are aware

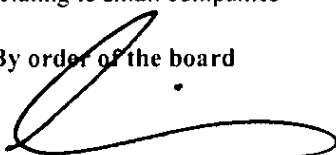
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Following the resignation of Cooper Parry LLP, Grant Thornton UK LLP were appointed as auditors to the company
In accordance with Section 385 of the Companies Act, a resolution concerning their reappointment will be proposed at the Annual General Meeting

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

By order of the board



E J Wilkinson

Director

Date

23 OCT 2007

REPORT of the INDEPENDENT AUDITOR TO THE members OF CHELSON MEADOW ENERGY LIMITED

We have audited the financial statements of Chelson Meadow Energy Limited for the year ended 31 December 2006 which comprise the profit and loss account the balance sheet, the statement of accounting policies and notes 1 to 17. These financial statements have been prepared under 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 to them in an auditor's 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

The directors' responsibilities for preparing the Directors' Report and financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
Manchester
October 2007

Chelson Meadow Energy Limited

Profit and loss account for the year ended 31 December 2006

Continuing operations	Notes	2006 £	2005 £
Turnover		821,995	813,113
Cost of sales		(397,271)	(386,307)
Gross profit		424,724	426,806
Administrative expenses		(17,398)	(16,659)
Operating profit		407,326	410,147
Interest payable and similar charges	4	(65,301)	(75,420)
Profit on ordinary activities before taxation	1	342,025	334,727
Taxation	5	(40,523)	(9,895)
Profit on ordinary activities after taxation		301,502	324,832

The company had no recognised gains or losses in the current or previous year other than those passing through the profit and loss account. Accordingly, a statement of total recognised gains and losses has not been presented.

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

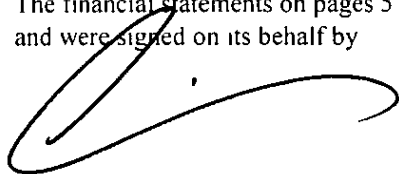
Chelson Meadow Energy Limited

Balance sheet as at 31 December 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	6	922,740	1,051,234
Current assets			
Debtors	7	1,319,724	960,217
Creditors: amounts falling due within one year	8	(194,665)	(173,652)
Net current assets		1,125,059	786,565
Total assets less current liabilities		2,047,799	1,837,799
Creditors: amounts falling due after more than one year	9	(919,307)	(1,042,332)
Provision for liabilities and charges	10	(124,447)	(92,924)
Net assets		1,004,045	702,543
Capital and reserves			
Called up share capital	11	10,000	10,000
Retained profit	12	994,045	692,543
Shareholders' funds	13	1,004,045	702,543

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

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



E J Wilkinson
Director
23 OCT 2007

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 United Kingdom accounting standards and under the historical cost accounting rules

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Finance costs incurred during the development stage of a project are capitalised, along with site preparation costs, installation costs and connection costs. Once the project is commissioned, these costs are depreciated 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 instalments over their estimated useful economic lives from commissioning as follows:

Plant and machinery	15 years
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Taxation

Corporation tax is provided on taxable profits at the current rate applicable. Tax charges and credits are accounted for through the same primary statement (either the profit and loss account or statement of total recognised gains and losses) as the pre-tax item.

In accordance with Financial Reporting Standard 19, full provision is made for deferred taxation on a non-discounted basis in respect of all timing differences. Deferred tax is calculated at rates at which it is estimated that the tax will arise.

Deferred tax assets are recognised to the extent they are more likely than not to be recovered.

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 the consolidated financial statements of CLPE Holdings Limited 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 2006

1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2006 £	2005 £
Auditors' remuneration	3,000	3,000
Depreciation of tangible fixed assets	128,494	128,494

2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (2005 £nil)

3 Staff numbers and costs

No staff were employed by the company during the year (2005 nil)

4 Interest payable and similar charges

	2006 £	2005 £
On loan from parent undertaking	65,301	75,420

5 Taxation

Analysis of charge in year	2006 £	2005 £
<i>Current tax</i>		
UK corporation tax on profits of the year	9,000	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	12,244	3,550
Adjustments in respect of prior years charge	19,279	6,345
	31,523	9,895
Tax on profit on ordinary activities	40,523	9,895

Chelson Meadow Energy Limited

Notes to the financial statements for the year ended 31 December 2006

5 Taxation (continued)

The tax for the period is lower (2005 - lower) than the standard rate of corporation tax in the UK (30%)
The differences are explained below

	2006 £	2005 £
Profit on ordinary activities before tax	342,025	334,727
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)	102,608	100,418
Effects of Capital allowances in excess of depreciation	(12,244)	(3,550)
Group relief	(81,364)	(96,868)
	9,000	-

Factors that may affect future tax charges

The company does not anticipate any factors that will have a significant effect on future tax charges, other than group relief that may be available from other group companies

6 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2006 and 31 December 2006	1,927,411
Depreciation	
At 1 January 2006	876,177
Charge for the year	128,494
At 31 December 2006	1,004,671
Net book value	
At 31 December 2006	922,740
At 31 December 2005	1,051,234

Included in the cost of plant and machinery as at 31 December 2006 is capitalised interest of £nil
(31 December 2005 - £nil)

Chelson Meadow Energy Limited

Notes to the financial statements for the year ended 31 December 2006

7 Debtors

	2006 £	2005 £
Trade debtors	76,471	84,258
Amounts due from parent undertaking	1,172,425	800,441
Prepayments and accrued income	70,828	75,518
	1,319,724	960,217

8 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	-	611
Corporation tax payable	9,000	-
Other taxation and social security	32,745	35,315
Accruals and deferred income	29,916	22,127
Loan from parent undertaking	123,004	115,599
	194,665	173,652

9 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Loan from parent undertaking	919,307	1,042,332
Loans from parent undertakings can be analysed as falling due		
In one year or less, or on demand	123,004	115,599
Between one and two years	127,602	124,344
Between two and five years	423,709	409,636
In five years or more	367,996	508,352
	1,042,311	1,157,931

Interest is payable on the debt at 5.88% (2005: 5.88%)

Chelson Meadow Energy Limited

Notes to the financial statements for the year ended 31 December 2006

10 Provision for liabilities and charges

Deferred taxation

	2006 £	2005 £
Provision for deferred tax comprises:		
Accelerated capital allowances	124,447	92,924
Provision at start of year	92,924	83,029
Deferred tax charge in profit and loss account for year	31,523	9,895
Provision at end of year	124,447	92,924

11 Called up share capital

	2006 £	2005 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

12 Reserves

	Profit and loss account £
At 1 January 2006	692,543
Profit for the financial year	301,502
At 31 December 2006	994,045

13 Reconciliation of movement in shareholders' funds

	2006 £	2005 £
Profit for the financial year	301,502	324,832
Opening shareholders' funds	702,543	377,711
Closing shareholders' funds	1,004,045	702,543

Chelson Meadow Energy Limited

Notes to the financial statements for the year ended 31 December 2006

14 Commitments and guarantees

There were no capital commitments at the end of the financial year (31 December 2005 £nil)

The company has guaranteed the bank loans of its intermediate parent company, CLPE Projects 2 Limited, and its fellow subsidiaries amounting to £9,842,192 (2005 £10,933,834) by means of a debenture providing fixed and floating charges over the company's assets

15 Ultimate parent and controlling company

Until 22 February 2007 the company's ultimate parent company was "Ridgewood Electric Power Trust V" an entity which is registered in the United States Christiana Bank and Trust Company, a company registered and incorporated in the United States is the Corporate Trustee of the Trust Ridgewood Renewable Power LLC, a company registered and incorporated in the United States, was the managing shareholder of the Trust The directors consider that Ridgewood Renewable Power LLC was the ultimate controlling party of the company at 31 December 2006

The company's immediate parent undertaking is CLPE Projects 2 Limited, a company incorporated and registered in England and Wales

The smallest group in which the results of the company are consolidated was that headed by CLPE Projects 2 Limited The largest group in which the results of the company are consolidated was Ridgewood Electric Power Trust V

The consolidated financial statements of CLPE Projects 2 Limited are available from Units 14 & 15 Queensbrook, Bolton Technology Exchange, Spa Road, Bolton, BL1 4AY

See note 17 for post balance sheet events occurring on 22 February 2007

16 Related party transactions

There were no transactions with related parties, other than within the CLPE Holdings Limited group, during 2006 and 2005

17 Post balance sheet events

On 22 February 2007, Chelson Meadow Energy Limited's intermediate parent company, CLPE Holdings Limited, was acquired by MEIF LG Energy Limited, a company registered in the United Kingdom

MEIF LG Energy Limited's ultimate parent entity is Macquarie European Infrastructure Fund Limited Partnership, a UK registered partnership domiciled in Guernsey

Following on from the acquisition by MEIF LG Energy Limited, Chelson Meadow Energy Limited has changed its financial year end to 31 March, its next financial statements will be prepared for the 15 months ended 31 March 2008