

Chelson Meadow Energy Limited  
Directors' report and financial statements  
for the year ended 31 December 2000

Registered Number 03363593



Chelson Meadow Energy Limited  
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for the year ended 31 December 2000

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# **Chelson Meadow Energy Limited**

## **Directors and Advisors for the year ended 31 December 2000**

### **Directors**

D R Wilson

R D Holmes

R E Swanson

### **Secretary**

D R Wilson

### **Auditors**

PricewaterhouseCoopers

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

### **Solicitors**

Eversheds

115 Colmore Row

Birmingham

West Midlands

B3 3AL

### **Registered Office**

115 Colmore Row

Birmingham

West Midlands

B3 3AL

### **Registered Number**

03363593

# Chelson Meadow Energy Limited

## Directors' report for the year ended 31 December 2000

The directors present their report and the audited financial statements of the company for the year ended 31 December 2000.

### Principal activities

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

### Results and dividends

The profit for the year amounted to £138,539 (9 months ended 31 December 1999: £90,743).

The directors do not recommend the payment of a dividend (9 months ended 31 December 1999: £Nil).

### Directors and their interests

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

D R Wilson  
R D Holmes  
R E Swanson

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

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 confirm that suitable accounting policies have been used and applied consistently. 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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

### 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

Director



22 August 2001  


# Chelson Meadow Energy Limited

## Auditors' report to the members of Chelson Meadow Energy Limited

We have audited the financial statements on pages 4 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### 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 the company's affairs at 31 December 2000 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

23 August 2001

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# Chelson Meadow Energy Limited

## Profit and loss account for the year ended 31 December 2000

	Note	Year ended 31 December 2000 £	9 months ended 31 December 1999 £
Turnover		749,578	477,184
Cost of sales		(364,016)	(246,113)
Gross profit		385,562	231,071
Administrative expenses		(12,416)	(11,545)
Operating profit		373,146	219,526
Interest payable and similar charges	4	(174,683)	(89,387)
Profit on ordinary activities before taxation	1	198,463	130,139
Taxation	5	(59,924)	(39,396)
Profit on ordinary activities after taxation		138,539	90,743
Retained profit brought forward		126,493	35,750
Retained profit carried forward	12	265,032	126,493

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

All revenues and expenditure relate to continuing activities.

The above is reported on a historical cost basis.

# Chelson Meadow Energy Limited

## Balance sheet as at 31 December 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	6	1,687,051	1,803,896
<b>Current assets</b>			
Debtors	7	656,863	444,687
Creditors: amounts falling due within one year	8	(157,262)	(179,508)
<b>Net current assets</b>		<b>499,601</b>	<b>265,179</b>
<b>Total assets less current liabilities</b>		<b>2,186,652</b>	<b>2,069,075</b>
Creditors: amounts falling due after more than one year	9	(1,798,580)	(1,845,262)
Provision for liabilities and charges	10	(113,040)	(87,320)
<b>Net assets</b>		<b>275,032</b>	<b>136,493</b>
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Profit and loss account	12	265,032	126,493
<b>Equity shareholders' funds</b>	13	<b>275,032</b>	<b>136,493</b>

The financial statements on pages 4 to 14 were approved by the board of directors on 2<sup>8</sup> August 2001 and were signed on its behalf by:

*R. H. H.*

Director

*Russell Holmes*

# Chelson Meadow Energy Limited

## 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.

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**

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 represents the amounts (excluding value added tax) derived from the sale of electricity, to third party customers during the period. 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 the intermediate parent company'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 the intermediate parent company are publicly available.

# Chelson Meadow Energy Limited

## Notes to the financial statements for the year ended 31 December 2000

### 1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2000 £	9 Months ended 31 December 1999 £
Auditors remuneration	2,022	1,850
Depreciation of tangible fixed assets	116,845	82,966

### 2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (1999: £Nil).

### 3 Staff numbers and costs

No staff were employed by the company in the year (1999: £Nil).

### 4 Interest payable and similar charges

	2000 £	1999 £
On loan from Ridgewood Renewables Limited	44,116	24,410
On term loan from Ridgewood Renewable Projects Limited	85,132	62,962
On term loan from Ridgewood Renewable Projects 2 Limited	27,155	-
Other finance costs	18,280	2,015
	174,683	89,387

# Chelson Meadow Energy Limited

## 5 Taxation

	Year ended 31 December 2000 £	9 Months ended 31 December 1999 £
Group relief payable/(receivable) at 30% (1999: 30%)	34,204	(31,384)
Deferred tax charge	26,998	72,017
Adjustment in respect of prior years, including deferred tax	(1,278)	(1,237)
	<b>59,924</b>	<b>39,396</b>

## 6 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 31 December 2000 and At 31 December 1999	1,921,867
<b>Depreciation</b>	
At 31 December 1999	117,971
Charge for the year	116,845
At 31 December 2000	234,816
<b>Net book value</b>	
At 31 December 2000	1,687,051
<b>Net book value</b>	
At 31 December 1999	1,803,896

# Chelson Meadow Energy Limited

## 7 Debtors

	2000 £	1999 £
Trade debtors	64,448	72,257
Amounts due from Ridgewood Renewable Projects 2 Limited	524,011	-
Amounts due from Ridgewood Renewable Projects Limited	-	201,825
Prepayments and accrued income	68,404	63,995
Other tax and social security	-	73,947
Group relief receivable	-	32,663
	656,863	444,687

All debtors are due within one year.

Group relief receivable is subject to agreement of losses with the Inspector of Taxes.

## 8 Creditors: amounts falling due within one year

	2000 £	1999 £
Term loan from Ridgewood Renewable Projects 2 Limited	86,773	-
Term loan from Ridgewood Renewable Projects Limited	-	78,723
Trade creditors	19,392	30,045
Other tax and social security	24,385	-
Accruals and deferred income	25,172	70,740
Group relief payable	1,541	-
	157,262	179,508

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

	2000 £	1999 £
Term loan from the Ridgewood Renewables Projects 2 Limited	1,337,107	1,426,038
Loan from Ridgewood Renewables Limited	461,473	419,224
	1,798,580	1,845,262

# Chelson Meadow Energy Limited

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

Term loans can be analysed as falling due:

In one year or less,	86,773	78,723
Between one and two years	95,941	86,959
Between two and five years	223,428	319,929
In five years or more	1,017,738	1,019,150
	<b>1,423,880</b>	<b>1,504,761</b>

Interest is payable on the debt at LIBOR + 1.3125%.

Loan from Ridgewood Renewables Limited is due in 5 years or more. Following the year end, the loan has been settled by offset against amounts owing by a fellow group company.

## 10 Provision for liabilities and charges

	2000 £	1999 £
<b>Deferred taxation</b>		
At beginning of period	87,320	16,540
Charge for the period	25,720	70,780
<b>At end of period</b>	<b>113,040</b>	<b>87,320</b>

Deferred tax is provided in respect of capital allowances in excess of depreciation.

There is no unprovided deferred taxation at 31 December 2000 (1999: £Nil).

## 11 Called up share capital

	2000 £	1999 £
<b>Authorised, allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	<b>10,000</b>	<b>10,000</b>

# Chelson Meadow Energy Limited

## 12 Profit and loss account

	2000 £	1999 £
Retained profit brought forward	126,493	35,750
Retained profit for the period	138,539	90,743
Retained profit carried forward	265,032	126,493

## 13 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Retained profit for the period	138,539	90,743
Opening equity shareholders' funds	136,493	45,750
Closing equity shareholders' funds	275,032	136,493

## 14 Commitments and guarantees

There were no capital commitments at the end of the financial year (1999: £Nil).

The company has guaranteed the bank loans of Ridgewood Renewable Projects 2 Limited, and its fellow subsidiaries amounting to £6,840,122 (1999: £5,758,201) by means of debenture providing fixed and floating charges over the company's assets.

## 15 Ultimate parent and controlling party

The company's ultimate parent undertakings 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 Trustees of the Trust. The directors consider that Ridgewood Energy Holdings Corporation is the ultimate controlling party of the company at 31 December 2000.

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

The smallest and largest group in which the results of the company are consolidated is that headed by Ridgewood UK Limited. The consolidated financial statements of Ridgewood UK Limited are available from 115 Colmore Row, Birmingham, West Midlands, B3 3AL.

# **Chelson Meadow Energy Limited**

## **16 Related party transactions**

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

The company paid £126,836 (1999: £125,130) for operation and maintenance costs to Ridgewood CLP Services Limited for the year.

The company paid £10,394 (1999: £2,581) for administration costs to Ridgewood CLP Management Limited for the year.

Ridgewood CLP Management is owned 50% by the company's intermediate parent undertaking, Ridgewood UK Limited.