

Whinney Hill Energy Limited

Directors' report and financial statements

for the year ended 31 December 2005

Registered Number 03466084



Whinney Hill Energy Limited  
Directors' report and financial statements  
for the year ended 31 December 2005

Contents

Directors and advisors for the year ended 31 December 2005.....	1
Directors' report for the year ended 31 December 2005.....	2
Independent auditors' report to the members of Whinney Hill Energy Limited.....	4
Profit and loss account for the year ended 31 December 2005.....	5
Balance sheet as at 31 December 2005.....	6
Statement of accounting policies.....	7
Notes to the financial statements for the year ended 31 December 2005.....	8

# **Whinney Hill Energy Limited**

## **Directors and advisors for the year ended 31 December 2005**

### **Directors**

R D Holmes  
R E Swanson  
D R Wilson  
A T West  
H H P Wyndham

### **Secretary**

A H Pentecost

### **Auditors**

Cooper Parry LLP  
14 Park Row  
Nottingham  
NG1 6GR

### **Solicitors**

Eversheds  
115 Colmore Row  
Birmingham  
West Midlands  
B3 3AL

### **Registered Office**

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

### **Registered Number**

03466084

# **Whinney Hill Energy Limited**

## **Directors' report for the year ended 31 December 2005**

The directors present their report and the audited financial statements for the company for the year ended 31 December 2005.

### **Principal activities**

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

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

The loss for the year after taxation and before dividends was £5,680 (2004: profit £800).

The directors do not recommend the payment of a dividend (2004: £nil per share).

### **Directors and their interests**

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

R D Holmes

R E Swanson

D R Wilson

A T West

H H P Wyndham

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 year. 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 2005 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.

## Whinney Hill Energy Limited

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Cooper Parry LLP as auditors of the company will be put to the annual general meeting.

By order of the board



D R Wilson

Director

Date

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

### Whinney Hill Energy Limited

We have audited the financial statements of Whinney Hill Energy Limited on pages 5 to 12 for the year ended 31 December 2005. These financial statements have been prepared in accordance with 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 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 on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 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.

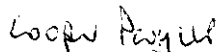
#### Basis of audit opinion

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 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPER PARRY LLP

NOTTINGHAM

Chartered Accountants

20 June 2006

Registered Auditor

## Whinney Hill Energy Limited

### Profit and loss account for the year ended 31 December 2005

Continuing	Notes	2005 £	2004 £
Turnover		280,994	320,710
Cost of sales		(227,609)	(244,213)
Gross profit		53,385	76,497
Administrative expenses		(12,336)	(11,581)
Operating profit		41,049	64,916
Interest payable and similar charges	4	(47,597)	(47,666)
(Loss)/profit on ordinary activities before taxation	1	(6,548)	17,250
Taxation	5	868	(16,450)
(Loss)/profit on ordinary activities after taxation		(5,680)	800
Retained profit brought forward		5,607	4,807
<b>(Accumulated loss)/retained profit carried forward</b>		<b>(73)</b>	<b>5,607</b>

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 loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

# Whinney Hill Energy Limited

## Balance sheet as at 31 December 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	6	591,042	663,461
<b>Current assets</b>			
Debtors	7	321,794	360,536
Creditors: amounts falling due within one year	8	(119,698)	(151,359)
<b>Net current assets</b>		202,096	209,177
<b>Total assets less current liabilities</b>		793,138	872,638
Creditors: amounts falling due after more than one year	9	(657,788)	(730,740)
Provision for liabilities and charges	10	(125,423)	(126,291)
<b>Net assets</b>		9,927	15,607
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
(Accumulated loss)/retained profit		(73)	5,607
<b>Shareholders' funds</b>	12	9,927	15,607

The financial statements on pages 5 to 12 were approved by the board of directors on 15 February 2006 and were signed on its behalf by:



D R Wilson  
Director



# **Whinney Hill 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 instalments over their estimated useful economic lives from commissioning as follows:

Plant and machinery	15 years
---------------------	----------

### **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.

# Whinney Hill Energy Limited

## Notes to the financial statements for the year ended 31 December 2005

### 1 (Loss)/profit on ordinary activities before taxation

(Loss)/profit on ordinary activities before taxation is stated after charging:

	2005 £	2004 £
Auditors' remuneration	3,000	2,500
Depreciation of tangible fixed assets	72,419	72,419

### 2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (2004: £nil).

### 3 Staff numbers and costs

No staff were employed by the company during the year (2004: nil).

### 4 Interest payable and similar charges

	2005 £	2004 £
On loan from parent company	47,597	47,666

## Whinney Hill Energy Limited

### 5 Taxation

Analysis of (credit)/charge in year	2005 £	2004 £
<i>Deferred tax</i>		
Origination and reversal of timing differences	(868)	5,175
Adjustment in respect of prior years	-	11,275
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(868)</b>	<b>16,450</b>

The tax for the year is lower (2004 - higher) than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	2005 £	2004 £
(Loss)/profit on ordinary activities before tax	(6,548)	17,250
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	(1,964)	5,175
Effects of:		
Depreciation for the year in excess of capital allowances	7,018	2,115
Utilisation of tax losses brought forward	(5,054)	(7,290)
	-	-

#### 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.

# Whinney Hill Energy Limited

## 6 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
<b>At 1 January 2005 and 31 December 2005</b>	<b>1,086,282</b>
<b>Depreciation</b>	
At 1 January 2005	422,821
Charge for the year	72,419
<b>At 31 December 2005</b>	<b>495,240</b>
<b>Net book value</b>	
<b>At 31 December 2005</b>	<b>591,042</b>
<b>At 1 January 2005</b>	<b>663,461</b>

## 7 Debtors

	2005 £	2004 £
Trade debtors	17,294	27,962
Amounts due from parent undertaking	276,746	297,566
Prepayments and accrued income	27,754	35,008
	<b>321,794</b>	<b>360,536</b>

## 8 Creditors: amounts falling due within one year

	2005 £	2004 £
Loan from parent undertaking	72,951	65,657
Trade creditors	73	71
Other taxation and social security	8,021	10,142
Accruals and deferred income	38,653	75,489
	<b>119,698</b>	<b>151,359</b>

## Whinney Hill Energy Limited

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

	2005 £	2004 £
Loan from parent undertaking	657,788	730,740
Loans from parent undertaking can be analysed as falling due:		
In one year or less, or on demand	72,951	65,657
Between one and two years	78,470	72,952
Between two and five years	258,510	244,110
In five years or more	320,808	413,678
	730,739	796,397

Interest is payable on the debt at 5.88% (2004: 6.31%).

### 10 Provision for liabilities and charges

#### Deferred taxation

	2005 £	2004 £
<b>Provision for deferred tax comprises:</b>		
Accelerated capital allowances	133,190	140,207
Losses carried forward	(7,767)	(13,916)
	125,423	126,291
Provision at start of year	126,291	109,841
Deferred tax (credit)/charge in profit and loss account for year	(868)	16,450
Provision at end of year	125,423	126,291

### 11 Called up share capital

	2005 £	2004 £
<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

## Whinney Hill Energy Limited

### 12 Reconciliation of movement in shareholders' funds

	2005 £	2004 £
(Loss)/profit for the year	(5,680)	800
Opening shareholders' funds	15,607	14,807
Closing shareholders' funds	9,927	15,607

### 13 Commitments and guarantees

There were no capital commitments at the end of the financial year (2004: £nil).

The company has guaranteed the bank loans of its intermediate parent company, CLPE Projects 2 Limited, and its fellow subsidiaries amounting to £10,933,834 (2004: £11,916,277) 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 "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, is the managing shareholder of the Trust. The directors consider that Ridgewood Renewable Power LLC is the ultimate controlling party of the company at 31 December 2005.

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 Projects 2 Limited. The largest group in which the results of the company are consolidated is 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.

### 15 Related party transactions

There were no transactions with related parties, other than group companies, during 2005 and 2004.