

COMPANY REGISTRATION NUMBER 5673978

**CONNECTIVE ENERGY LIMITED**  
**FINANCIAL STATEMENTS**  
**31 MARCH 2009**



**ELLIOTT BUNKER LIMITED**  
Chartered Accountants & Registered Auditor  
3-8 Redcliffe Parade West  
Redcliffe  
Bristol  
BS1 6SP

# **CONNECTIVE ENERGY LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2009**

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# **CONNECTIVE ENERGY LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 MARCH 2009**

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The directors present their report and the financial statements of the company for the year ended 31 March 2009.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is that of innovative solutions for heat capture, transport and delivery whilst reducing carbon emissions.

The loss for the year after taxation was £356,539. No dividend was declared in the period.

At the time of signing these financial statements the directors have scaled back the extent of activities. The shareholders have agreed to provide shareholder loans to enable the company to scale back its cost base and on that basis to meet its commitments for the next twelve months. Based on the planned reduced cash flow the directors consider that it remains appropriate to prepare the financial statements on a going concern basis.

#### **DIRECTORS**

The directors who served the company during the year were as follows:

Mr E Morris	(Resigned 22 December 2008)
Mr J Vaccaro	(Resigned 22 December 2008)
Mr A C Wordsworth	
Triodos Investments Limited	(Appointed 23 January 2009)

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **CONNECTIVE ENERGY LIMITED**

### **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2009**

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#### **DIRECTORS' RESPONSIBILITIES** *(continued)*

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.

In so far as the directors are aware:

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

#### **AUDITOR**

Elliott Bunker Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

#### **SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
65 High Street  
Egham  
Surrey  
TW20 9EY

Signed on behalf of the directors



MR A C WORDSWORTH  
Director

Approved by the directors on 14 October 2009

**CONNECTIVE ENERGY LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
CONNECTIVE ENERGY LIMITED****YEAR ENDED 31 MARCH 2009**

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We have audited the financial statements of Connective Energy Limited for the year ended 31 March 2009, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out on page 7.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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.

## CONNECTIVE ENERGY LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CONNECTIVE ENERGY LIMITED *(continued)*

**YEAR ENDED 31 MARCH 2009**

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#### OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its loss 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.

*Elliott Bunker Ltd*

ELLIOTT BUNKER LIMITED  
Chartered Accountants

3-8 Redcliffe Parade West  
Redcliffe  
Bristol  
BS1 6SP

14 October 2009

**CONNECTIVE ENERGY LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2009**

	Note	2009 £	2008 £
<b>TURNOVER</b>		—	—
Cost of sales		<u>168,529</u>	<u>156,515</u>
<b>GROSS LOSS</b>		<b>(168,529)</b>	<b>(156,515)</b>
Administrative expenses		<u>192,148</u>	<u>321,397</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(360,677)</b>	<b>(477,912)</b>
Interest receivable		<u>4,138</u>	<u>9,114</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(356,539)</b>	<b>(468,798)</b>
Tax on loss on ordinary activities		—	—
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(356,539)</b>	<b>(468,798)</b>
Balance brought forward		<u>(1,634,308)</u>	<u>(1,165,510)</u>
Balance carried forward		<u><b>(1,990,847)</b></u>	<u><b>(1,634,308)</b></u>

The notes on pages 7 to 10 form part of these financial statements.

**CONNECTIVE ENERGY LIMITED****BALANCE SHEET****31 MARCH 2009**

	Note	2009 £	2008 £
<b>CURRENT ASSETS</b>			
Debtors	3	9,875	6,648
Cash at bank		22,457	125,788
		<u>32,332</u>	<u>132,436</u>
<b>CREDITORS: Amounts falling due within one year</b>	4	61,395	32,460
		<u>(29,063)</u>	<u>99,976</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(29,063)</u>	<u>99,976</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	6	663,086	1,734,284
Share premium account	7	1,298,698	—
Profit and loss account		(1,990,847)	(1,634,308)
		<u>(29,063)</u>	<u>99,976</u>
<b>(DEFICIT)/SHAREHOLDERS' FUNDS</b>			

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 14 October 2009, and are signed on their behalf by:



MR A C WORDSWORTH  
Director



**CONNECTIVE ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**Research and development expenditure**

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

**2. OPERATING LOSS**

Operating loss is stated after charging:

	2009	2008
	£	£
Directors' emoluments	—	77,000
Auditor's fees	<u>3,500</u>	<u>10,000</u>

**3. DEBTORS**

	2009	2008
	£	£
Other debtors	257	888
Prepayments and accrued income	<u>9,618</u>	<u>5,760</u>
	<u>9,875</u>	<u>6,648</u>

**CONNECTIVE ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

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**4. CREDITORS: Amounts falling due within one year**

	2009	2008
	£	£
Trade creditors	14,067	2,976
Short term borrowings	35,000	–
VAT	4,037	11,025
Accruals and deferred income	8,291	18,459
	<u>61,395</u>	<u>32,460</u>

**5. RELATED PARTY TRANSACTIONS**

**Doosan Babcock Energy Limited**

During the period the company received goods and services in the ordinary course of business from Doosan Babcock Energy Limited, a shareholder, at a value of £58,391 (2008 - £143,000).

Convertible loan notes held were also converted into Class A share capital.

Amounts due to Doosan Babcock Energy Limited are £nil (2008 - £nil) relating to trading and £nil (2008 - £162,500) in respect of convertible loan notes.

**Carbon Trust Enterprises Limited**

During the period the company was advanced a loan of £14,000 from Carbon Trust Enterprises Limited.

Convertible loan notes held were also converted into Class A share capital.

Amounts due to Carbon Trust Enterprises Limited are £14,000 (2008 - £nil) relating to loan balances and £nil (2008 - £97,500) in respect of convertible loan notes.

**Triodos Renewable Energy Fund PLC**

During the period the company was advanced a loan of £21,000 from Triodos Renewable Energy Fund PLC.

Convertible loan notes held were also converted into Class A share capital.

Amounts due to Triodos Renewable Energy Fund PLC are £21,000 (2008 - £nil) relating to loan balances and £nil (2008 - £162,500) in respect of convertible loan notes.

Triodos Renewable Energy Fund PLC is the ultimate controlling party.

**CONNECTIVE ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

**6. SHARE CAPITAL**

**Authorised share capital:**

	2009 £	2008 £
661,783 Deferred shares of £1 each	661,783	661,783
238,217,000 Ordinary A Shares shares of £0.001 each	238,217	238,217
100,000,000 Ordinary B Shares shares of £0.001 each	100,000	100,000
	<u>1,000,000</u>	<u>1,000,000</u>

**Allotted and called up:**

	2009 No	£	2008 No	£
Deferred shares fully paid of £1 each	661,783	661,783	661,783	661,783
Ordinary A Shares shares fully paid of £0.001 each	1,303,000	1,303	3,000	3
Convertible Loan Notes shares fully paid of £1 each	-	-	1,072,498	1,072,498
	<u>1,964,783</u>	<u>663,086</u>	<u>1,737,281</u>	<u>1,734,284</u>

During the year convertible loan stock was redeemed, this lead to an issue of 1,300,000 Ordinary A Shares, each of these shares having a nominal value of £0.001.

**7. SHARE PREMIUM ACCOUNT**

	2009 £	2008 £
Premium on shares issued in the year	1,298,698	-
Balance carried forward	<u>1,298,698</u>	<u>-</u>

The share premium reserve arose on the issue of 1,300,000 shares during the period.

**8. GOING CONCERN**

The financial statements have been prepared on a going concern basis, despite the loss for the year and the shareholders' funds being in deficit, which the directors believe to be appropriate for the following reason. At the time of signing these financial statements the directors have scaled back the extent of activities. The shareholders have agreed to provide additional shareholder loans; £75,000 has been received since the year end, to enable the company to continue to scale back its cost base and on that basis to meet its commitments for the next twelve months. As with any company placing reliance on its shareholders for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so for at least the next twelve months.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

**CONNECTIVE ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

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