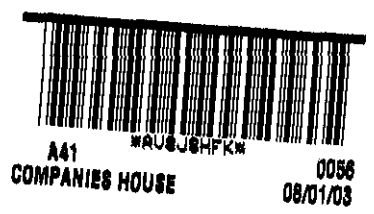


FIBROGEN LIMITED 2547498

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002



INDEX

Year ended 31 March 2002

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## FIBROGEN LIMITED

### GENERAL INFORMATION

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#### DIRECTORS

R J Fraser (Chairman)  
S J Fraser (Deputy Chairman)  
J T Watson (Managing & Finance Director)

#### SECRETARY

J E Davison

#### HEAD OFFICE/ REGISTERED OFFICE

Astley House  
33 Notting Hill Gate  
London  
W11 3JQ  
Tel: 020 7229 9252  
Fax: 020 7221 8671

#### AUDITORS

Dixon Wilson  
(P O Box 900)  
Rotherwick House  
3 Thomas More Street  
London  
E1W 1YX

#### SOLICITORS

CMS Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London  
EC1A 4DD

#### BANKERS

Barclays Bank PLC  
50 Pall Mall  
P O Box 15162  
London  
SW1A 1QB

#### IMMEDIATE HOLDING COMPANY

Fibrowatt Limited Web site: [www.fibrowatt.com](http://www.fibrowatt.com)

#### ULTIMATE HOLDING COMPANY

Fibrowatt Group Limited

## **FIBROGEN LIMITED**

### **DIRECTORS' REPORT**

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The directors submit their report and financial statements for the year ended 31 March 2002.

#### **RESULTS AND DIVIDENDS**

The profit for the year after tax and before appropriations was £506,935 (2001 - Loss £376,024). Appropriations of £1,742,154 (2001 - £1,719,250) were made to a reserve in respect of accrued dividends payable to non-equity shareholders.

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company's primary business is to operate an electricity power station. The company owns and operates Glanford Power Station, a 13.5MW power station at Flixborough, North Lincolnshire.

On 30 September 1998 the company was awarded a contract by the Government's Intervention Board to provide a disposal route for meat and bone meal (MBM) arising from the Over Thirty Month Scheme. The contract commenced on 15 May 2000 and will last for a minimum of 36 months, during which the plant is expected to burn around 270 tonnes of MBM a day. The Rural Payments Agency (formerly Intervention Board) have granted a contract for a further 40,000 tonnes upon completion of the current contracted quantity.

#### **DIRECTORS AND THEIR INTERESTS**

The directors are as shown on page 2. In addition, P G Apps served as a director until his resignation on 15 November 2001.

No director held any interest in the shares of the company or Fibrowatt Limited, the company's immediate holding company, during the year. The interests of the directors in the shares of Fibrowatt Group Limited, the ultimate holding company, are shown in the accounts of that company.

#### **CHARITABLE CONTRIBUTIONS**

During the year the company made charitable contributions totalling £nil (2001 - £2,100).

## FIBROGEN LIMITED

### DIRECTORS' REPORT (continued)

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#### 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. 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.

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

Dixon Wilson have been re-appointed as auditors of the company by elective resolution in accordance with Section 386 of the Companies Act 1985.

By order of the board



J E DAVISON

Secretary

London

29 June 2002

# DIXON WILSON

## CHARTERED ACCOUNTANTS

PO Box 900 Rotherwick House 3 Thomas More Street London E1W 1YX

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIBROGEN LIMITED

We have audited the financial statements of Fibrogen Limited for the year ended 31 March 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

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 with the company 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 OPINION

We conducted our audit in accordance with United Kingdom 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 as at 31 March 2002 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DIXON WILSON  
Registered Auditors

25 July 2002

**FIBROGEN LIMITED**

**PROFIT AND LOSS ACCOUNT**

**Year ended 31 March 2002**

	Note	2002 £	2001 £
TURNOVER - Continuing operations	1	7,854,468	7,837,297
Cost of sales		<u>(1,107,238)</u>	<u>(1,133,385)</u>
GROSS PROFIT		6,747,230	6,703,912
Administrative expenses		<u>(6,002,016)</u>	<u>(5,762,689)</u>
OPERATING PROFIT - Continuing operations	2	745,214	941,223
Interest receivable		4,417	15,184
Interest payable	3	<u>(23,841)</u>	<u>(209,948)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		725,790	746,459
Taxation	5	<u>(218,855)</u>	<u>(1,122,483)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		506,935	(376,024)
Appropriation - provision for dividends on non-equity shares	15	<u>(1,742,154)</u>	<u>(1,719,250)</u>
RETAINED LOSS FOR THE YEAR	14	<u><u>(1,235,219)</u></u>	<u><u>(2,095,274)</u></u>

The company had no recognised gains or losses other than the profit for the year and the loss for the previous year.

# FIBROGEN LIMITED

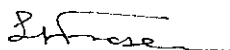
## BALANCE SHEET

At 31 March 2002

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	<u>8,201,149</u>	<u>11,063,731</u>
<b>CURRENT ASSETS</b>			
Stock	7	363,150	261,021
Debtors	8	1,254,867	937,878
Cash at bank and in hand		<u>267,802</u>	<u>6,301</u>
		1,885,819	1,205,200
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	<u>(5,070,400)</u>	<u>(4,555,470)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,184,581)</u>	<u>(3,350,270)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,016,568	7,713,461
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	10	(98,090)	(3,526,658)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	12	<u>(1,426,147)</u>	<u>(1,201,407)</u>
		<u>3,492,331</u>	<u>2,985,396</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	1,500,120	1,500,120
Profit and loss account	14	(6,764,074)	(5,528,855)
Other reserves	15	<u>8,756,285</u>	<u>7,014,131</u>
<b>TOTAL SHAREHOLDER'S FUNDS</b>	16	<u>3,492,331</u>	<u>2,985,396</u>
Shareholder's funds are attributable to:			
Equity shareholder		(6,763,954)	(5,528,735)
Non-equity shareholder	17	<u>10,256,285</u>	<u>8,514,131</u>
		<u>3,492,331</u>	<u>2,985,396</u>

The financial statements on pages 6 to 19 were approved by the board of directors on 29 June 2002 and signed on its behalf by:-

S J FRASER



Directors

J T WATSON





## **FIBROGEN LIMITED**

### **ACCOUNTING POLICIES**

**Year ended 31 March 2002**

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#### **Accounting convention**

The financial statements have been prepared under the historical cost convention.

#### **Depreciation**

The cost of fixed assets is depreciated over the expected economic lives of the assets as follows:

Power station – buildings and plant	- see below
Other equipment	- 20% per annum straight line
Motor vehicles	- 25% per annum straight line

The cost of the power station is depreciated over its economic life of twenty years at rates estimated to reduce its residual value to nil at the end of that period.

The rates adopted reflected the estimated plant operating profit from electricity sales for the periods ended 31 December 1998, when the Non-Fossil Fuel Obligation came to an end ("the initial period"), and periods thereafter ("the secondary period"). For the initial period the rate of depreciation was 12.84% per annum straight line and for the secondary period it is 2.14% per annum straight line.

Modifications to the plant necessitated by the initial contract with the Intervention Board are depreciated on a straight line basis from the commencement of MBM combustion, which is expected to continue for 39 months ending 14 May 2003, inclusive of a 3 month commissioning period.

Other modifications made to the plant are depreciated on a straight line basis over the remaining useful economic life of these modifications, commencing when the modifications are brought into use.

#### **Stock**

Consumable stock is valued at the lower of cost and net realisable value.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

#### **Research and development**

Research and development of a revenue nature is written off in the year in which it is incurred. Expenditure directly related to the construction of the power station is capitalised as part of the cost.

# **FIBROGEN LIMITED**

## **ACCOUNTING POLICIES (continued)**

**Year ended 31 March 2002**

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### **Capitalisation of interest and issue costs**

Costs of financing the construction of the power station prior to its being brought into use are included in the cost of the power station.

### **Deferred taxation**

Provision is made for deferred liabilities in respect of all timing differences arising from the different treatment of items for accounting and taxation purposes without discounting.

Deferred tax assets in respect of such timing differences are recognised to the extent they are regarded as being, more likely than not, recoverable in the short to medium term, and are not discounted.

### **Capital instruments**

Both equity and non-equity shares are included in shareholder's funds. Other capital instruments, as defined by Financial Reporting Standard No. 4 are classified as liabilities. Costs associated with the rephasing of loans are written off to the profit and loss account in the year in which they are incurred.

### **Leases**

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a finance charge which is amortised in order to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

### **Cash flow statement**

The financial statements do not include a cash flow statement because the company, being a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No. 1, "Cash Flow Statements".

### **Group relief**

Credits for amounts receivable in respect of tax losses surrendered to group companies are recognised in the year in which the losses are surrendered.

### **Deferred income**

Deferred income is recognised at pre-contracted rates set by the Rural Payments Agency (formerly the Government's Intervention Board) per tonne of MBM incinerated.

# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

### 1. TURNOVER

Turnover comprises the sale of electricity, and gate fees received for the incineration of MBM, net of value added tax. All turnover arises within the United Kingdom.

### 2. OPERATING PROFIT FOR THE YEAR

	2002 £	2001 £
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This is stated after charging the following:

Depreciation of fixed assets (note 6)

- owned assets	2,978,296	2,871,613
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Auditors' remuneration

13,500	15,000
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Operating lease rentals - plant and machinery

6,214	1,036
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- land and buildings

107,750	116,122
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### 3. INTEREST PAYABLE

Interest on bank loans wholly repayable within five years	9,539	162,259
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Interest on other loans wholly repayable within five years	10,758	43,981
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Other interest payable	3,544	3,708
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23,841	209,948
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# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

4. STAFF COSTS	2002 £	2001 £
Employee costs:		
Wages and salaries	685,501	739,584
Social security costs	69,782	77,420
Other pension costs	36,132	35,377
	<u>791,415</u>	<u>852,381</u>
Directors' remuneration	-	-
	<u>Number</u>	<u>Number</u>
Average number of persons employed	23	25

All employees were employed in the operation and maintenance of the power station.

Head office services and administration services were provided by Fibrowatt Limited throughout the year for a fixed monthly fee. The total sum charged by Fibrowatt Limited in respect of such services in the year ended 31 March 2002 was £618,480 (2001 - £604,350). This charge includes the services of S J Fraser, R J Fraser, P G Apps and J T Watson as directors of the company.

5. TAXATION	2002 £	2001 £
(a) Analysis of charge in period		
Current tax:		
UK corporation tax on profits for the year	-	2,166
Adjustments in respect of previous periods	(5,885)	8,910
Total current tax (note 5(b))	(5,885)	11,076
Deferred tax:		
Origination and reversal of timing differences	224,740	1,111,407
Total deferred tax (note 12)	224,740	1,111,407
Tax on profit on ordinary activities	218,855	1,122,483

(continued)

**FIBROGEN LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 March 2002

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5.	TAXATION (continued)	2002	2001
		£	£
(b)	Factors affecting tax credit for period		
	The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:		
	Profit on ordinary activities before tax	725,790	746,459
		<u>          </u>	<u>          </u>
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	217,737	223,938
	Effects of:		
	Depreciation for the year in excess of capital allowances	595,483	475,714
	Utilisation of tax losses	(813,220)	(697,486)
	Adjustments to tax charge in respect of previous periods	<u>(5,885)</u>	<u>8,910</u>
	Current tax (credit)/charge for period (note 5(a))	<u>(5,885)</u>	<u>11,076</u>

The company's operations are located in a formerly designated Enterprise Zone. Accordingly, the company was entitled to claim in the year of expenditure tax relief of 100 per cent of the expenditure incurred on industrial buildings before 14 April 1994, when the Enterprise Zone status ceased. This relief has the effect of deferring the company's liability to tax on trading.

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# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

6. TANGIBLE FIXED ASSETS	Freehold land £	Power station £	Other equipment £	Total £
<b>Cost</b>				
At 1 April 2001	250,300	29,127,819	295,705	29,673,824
Additions	-	107,983	7,731	115,714
At 31 March 2002	250,300	29,235,802	303,436	29,789,538
<b>Depreciation</b>				
At 1 April 2001	-	18,336,193	273,900	18,610,093
Charge for the year	-	2,969,473	8,823	2,978,296
At 31 March 2002	-	21,305,666	282,723	21,588,389
<b>Net book value</b>				
At 31 March 2002	250,300	7,930,136	20,713	8,201,149
At 31 March 2001	250,300	10,791,626	21,805	11,063,731

Included in the power station cost is interest amounting to £1,205,125, being the cost of financing the construction of the power station prior to its being brought into use. Also included in the cost of the power station is £7,957,858 (2001 - £7,933,593) relating to modifications to the plant in respect of the MBM project.

## 7. STOCK

Stock comprises fuel, spare parts and consumables.

8. DEBTORS	2002 £	2001 £
Trade debtors	421,610	451,683
Other debtors	-	3,024
Advance to parent company	400,000	-
Prepayments and accrued income	433,257	483,171
	<u>1,254,867</u>	<u>937,878</u>

Included in trade debtors are amounts due from group undertakings of £841 (2001 - £2,002).

The advance to Fibrowatt Limited is in anticipation of the redemption of 'B' shares after the year end.

FIBROGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Loans (note 11)	973,750	855,556
Trade creditors	269,481	245,606
Other taxes and social security costs	100,926	321,357
Other creditors	6,144	5,354
Accruals and deferred income	3,720,099	3,127,597
	<u>5,070,400</u>	<u>4,555,470</u>

Included in trade creditors are amounts due to group undertakings of £221,776 (2001 - £236,657). The bank loan is secured by a second charge over the power station site, and the deferred income in respect of advance MBM gate fees from the Rural Payments Agency (formerly the Government's Intervention Board) is secured by a first charge over the power station site.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Loans (note 11)	50,000	50,000
Accruals and deferred income	48,090	3,476,658
	<u>98,090</u>	<u>3,526,658</u>

11. LOANS

Repayable within one year

(i) Bank loan	973,750	685,556
(ii) Fibrowatt Limited	-	170,000
	<u>973,750</u>	<u>855,556</u>

Repayable between one and two years

(iii) Directors' loans	<u>50,000</u>	<u>50,000</u>
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(continued)

# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

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### 11. LOANS (continued)

#### (i) Bank loan

The loan outstanding at 31 March 2001 was repaid in full in June 2001. A new loan was granted by Barclays Bank PLC on 26 March 2002 and is repayable in equal monthly instalments ending in November 2002. Interest is calculated at LIBOR plus an applicable margin of 2% plus an associated costs rate. The loan is secured on the power station site, and is stated net of issue costs of £26,250.

#### (ii) Fibrowatt Limited

This loan was repaid in full on 26 March 2002.

#### (iii) Directors' loans

The directors' loans are unsecured and interest free.

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### 12. PROVISION FOR LIABILITIES AND CHARGES (DEFERRED TAX)

	2002 £	2001 £
Accelerated capital allowances	1,491,238	2,079,718
Tax losses carried forward	(65,091)	(878,311)
	<u>1,426,147</u>	<u>1,201,407</u>
	2002 £	
Provision at 1 April 2001	1,201,407	
Deferred tax charge in profit and loss account for year (note 5(a))	<u>224,740</u>	
Provision at 31 March 2002	<u>1,426,147</u>	

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# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

13. SHARE CAPITAL	2002 £	2001 £
Authorised		
100,000 "O" ordinary shares of 1p each	1,000	1,000
112,500 "A" shares of £1 each	112,500	112,500
1,387,500 "B" shares of £1 each	1,387,500	1,387,500
5,000,000 "C" shares of £1 each	5,000,000	5,000,000
	<u>6,501,000</u>	<u>6,501,000</u>
Allotted and fully paid		
12,000 "O" ordinary shares of 1p each	120	120
112,500 "A" shares of £1 each	112,500	112,500
1,387,500 "B" shares of £1 each	1,387,500	1,387,500
	<u>1,500,120</u>	<u>1,500,120</u>

### Rights of share capital

#### (a) Dividends and redemption

The "A" shares may be redeemed at any date prior to 31 December 2500, at the option of the shareholder, provided that sufficient surplus revenues are available to do so and that all of the "B" shares have been fully redeemed.

The "B" shares may be redeemed by the company at a date before 31 December 2500.

The distributable profits of the company must be applied in accordance with a set of formulae set out in the company's Articles of Association (subject to restrictions on distributions included in any agreement with the company's bankers), designed such that:

- (1) cash is first of all paid to the holders of the "B" shares by way of redemption and dividend so that such holders earn a return on their investment of 20% real;
- (2) the "O" shareholders can then start receiving dividends subject to a scale of payments to the holders of the 'A' shares (in terms of specified percentages of annual distributable profits) designed to ensure that holders of the 'A' shares earn a return on their investment of 22% real; after which
- (3) the "O" shareholders are entitled to all future distributable profits after the payment each year of a dividend to the 'A' shareholders of 4% of annual distributable profits.

(continued)

# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

### 13. SHARE CAPITAL (continued)

#### Rights to share capital (continued)

##### (b) Capital

On a winding up, the assets of the company available to shareholders must be applied as follows:

- (1) repaying amounts paid on "B" shares, "A" shares and "O" shares, in that order;
- (2) paying to holders of "B" shares amounts in accordance with the formula used to determine dividends on these shares;
- (3) distributing the balance between the holders of the "A" and "O" shares pro rata to the amount paid up on such shares.

##### (c) Voting rights

On a show of hands, every member holding an "A" share or an "O" share shall have one vote. On a poll every "O" share shall carry such number of votes that in aggregate the "O" shares hold 74.9% and every "A" share shall carry such number of votes that in aggregate the "A" shares hold 25.1% of the votes. The "B" shares have no voting rights.

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14. PROFIT AND LOSS ACCOUNT	2002 £	2001 £
At 1 April 2001	(5,528,855)	(3,433,581)
Transfer from profit and loss account for the year	(1,235,219)	(2,095,274)
At 31 March 2002	<u>(6,764,074)</u>	<u>(5,528,855)</u>

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### 15. OTHER RESERVE

Provision for dividends on non-equity shares payable from distributable profits:

At 1 April 2001	7,014,131	5,294,881
Provision for the year	<u>1,742,154</u>	<u>1,719,250</u>
At 31 March 2002	<u>8,756,285</u>	<u>7,014,131</u>

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# FIBROGEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2002

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2002 £	2001 £
Profit/(loss) for the year	506,935	(376,024)
Shareholder's funds at 1 April 2001	2,985,396	3,361,420
Shareholder's funds at 31 March 2002	3,492,331	2,985,396

### 17. NON-EQUITY SHAREHOLDER'S FUNDS

"A" shares of £1	1,000,687	818,264
"B" shares of £1	9,255,598	7,695,867
	10,256,285	8,514,131

### 18. OPERATING LEASE COMMITMENTS

At 31 March 2002 the company was committed to the following payments during 2002/03 in respect of operating leases which expire:

	Land and buildings £	Other £	Total £
Between two and five years	-	13,714	13,714
After five years	107,750	-	107,750
	107,750	13,714	121,464

### 19. PENSION COSTS

The company contributes to its employees' personal pension schemes. The cost for the year is shown in note 4. Outstanding contributions at 31 March 2002 amounted to £nil (2001 - £nil).

## **FIBROGEN LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2002**

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#### **20. RELATED PARTY TRANSACTIONS**

The company has carried out transactions with the following parties, who are considered to be related parties of the company as defined by Financial Reporting Standard No 8:

<b>Related party</b>	<b>Reason</b>
S J Fraser	Director
R J Fraser	Director

The loan from S J Fraser to the company of £30,000 remained in place throughout the year.

The loan from R J Fraser to the company of £20,000 remained in place throughout the year.

As a 100% owned subsidiary of Fibrowatt Group Limited, the company has taken advantage of the exemption granted by FRS8 not to disclose transactions with related entities that are part of the group.

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#### **21. CAPITAL COMMITMENTS**

At the year end the company had contracted for capital expenditure relating to spare parts for the power station of £49,500 (2001 - £124,500).

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#### **22. PARENT COMPANIES**

Fibrowatt Group Limited is the ultimate holding company and is the holding company of the only group of undertakings for which group accounts are drawn up and of which the company is a member.

Copies of the group accounts for the above may be obtained from Companies House.

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