

Bolam Energy Limited

Directors' report and financial statements  
for the year ended 31 December 2002

Registered Number 03754338



Bolam Energy Limited  
Directors' report and financial statements  
for the year ended 31 December 2002

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# **Bolam Energy Limited**

## **Directors and advisors for the year ended 31 December 2002**

### **Directors**

D H FitzHerbert (resigned 18 March 2003)

H H P Wyndham

R D Holmes

R E Swanson

D R Wilson

A T West

### **Secretary**

A Pentecost

### **Auditors**

PricewaterhouseCoopers

101 Barbirolli Square

Lower Mosely Street

Manchester

M2 3PW

### **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**

03754338

# **Bolam Energy Limited**

## **Directors' report for the year ended 31 December 2002**

The directors present their report and the audited financial statements for the company for the year ended 31 December 2002.

### **Principal activities**

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

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

The project was commissioned on 16 August 2002.

The profit for the year is £11,823 (9 months ended 31 December 2001: £1,040 loss).

The directors do not recommend the payment of a dividend (9 months ended 31 December 2001: £nil).

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.

### **Directors and their interests**

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

D H FitzHerbert (resigned 18 March 2003)  
H H P Wyndham  
R D Holmes  
R E Swanson  
D R Wilson  
A T West

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 2002 and that applicable accounting standards have been followed.

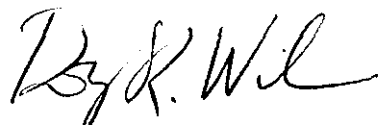
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Bolam Energy Limited**

### **Auditors**

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the Directors appointed PricewaterhouseCoopers LLP. A resolution concerning their reappointment will be proposed at the next Annual General Meeting.

**By order of the board**

A handwritten signature in black ink, appearing to read 'D R Wilson', written over a horizontal line.

**D R Wilson**  
**Director**

**17 OCT 2003**

## **Bolam Energy Limited**

### **Independent auditors' report to the members of Bolam Energy Limited**

We have audited the financial statements which comprise profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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. The other information comprises only the directors' report.

#### **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 affairs of the company and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Manchester

17 October 2003

## Bolam Energy Limited

### Profit and loss account for the year ended 31 December 2002

	Notes	12 months ended 31 December 2002 £	9 months ended 31 December 2001 £
<b>Continuing</b>			
<b>Turnover</b>		92,139	-
Cost of sales		(67,804)	-
<b>Gross profit</b>		24,335	-
Administrative expenses		(4,992)	(1,040)
<b>Operating profit/(loss)</b>		19,343	(1,040)
Other interest receivable and similar income	4	30	-
<b>Profit/(loss) on ordinary activities before taxation</b>	1	19,373	(1,040)
Taxation	5	(7,550)	-
<b>Profit/(loss) on ordinary activities after taxation</b>		11,823	(1,040)
Accumulated loss brought forward		(2,067)	(1,027)
<b>Retained profit/(accumulated loss) carried forward</b>		9,756	(2,067)

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

# Bolam Energy Limited

## Balance sheet as at 31 December 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	6	625,104	93,955
		625,104	93,955
<b>Current assets</b>			
Debtors	7	52,687	8,397
Cash at bank		-	6
		52,687	8,403
<b>Creditors: amounts falling due within one year</b>	8	(645,193)	(76,579)
<b>Net current liabilities</b>		(592,506)	(68,176)
<b>Total assets less current liabilities</b>		32,598	25,779
<b>Provision for liabilities and charges</b>	9	5,004	-
<b>Net assets</b>		37,602	25,779
<b>Capital and reserves</b>			
Called up share capital	10	27,846	27,846
Retained profit/(accumulated loss)		9,756	(2,067)
<b>Equity shareholders' funds</b>	11	37,602	25,779

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



D R Wilson  
Director

17 OCT 2003



# **Bolam 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, along with site preparation costs, installation costs and connection costs. Once the project is commissioned, these 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 installments 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 a consolidated cash flow statement is included in CLPE Holdings Limited'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 CLPE Holdings are publicly available.

## **Bolam Energy Limited**

### **Notes to the financial statements for the year ended 31 December 2002**

#### **1 Profit/(loss) on ordinary activities before taxation**

Profit/(loss) on ordinary activities before taxation is stated after charging:

	<b>12 months ended 31 December 2002 £</b>	<b>9 months ended 31 December 2001 £</b>
Auditors' remuneration	<b>2,100</b>	1,000
Depreciation of tangible fixed assets	<b>17,433</b>	-

#### **2 Remuneration of directors**

None of the directors received any emoluments in respect of their services to the company (9 months ended 31 December 2001: £nil)

#### **3 Staff numbers and costs**

No staff were employed by the company during the year (9 months ended 31 December 2001: £nil)

#### **4 Other interest receivable and similar income**

	<b>2002 £</b>	<b>2001 £</b>
Bank interest received	<b>30</b>	-

#### **5 Taxation**

<b>Analysis of charge in year</b>	<b>2002 £</b>	<b>2001 £</b>
<i>Current tax</i>		
Group relief payable at 30% (2001: 30%)	<b>12,542</b>	-
Adjustments in respect of prior years	<b>12</b>	-
	<b>12,554</b>	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	<b>(5,004)</b>	-
<b>Tax on profits on ordinary activities</b>	<b>7,550</b>	-

## Bolam Energy Limited

### 5 Taxation (continued)

The tax for the period is higher (2001 - higher) than the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	12 months ended 31 December 2002 £	9 months ended 31 December 2001 £
Profit/(loss) on ordinary activities before tax	19,373	(1,040)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	5,812	(312)
Effects of:		
Depreciation for year in excess of capital allowances	5,004	-
Adjustment in respect of prior year	12	-
Expenses not deductible for tax purposes	1,726	-
Tax losses carried forward	-	312
Total current tax	12,554	-

#### Factors that may affect future tax charges

The company does not anticipate any factors that will have a significant effect on future tax charges.

### 6 Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At 31 December 2001	93,955
Additions	548,582
<b>At 31 December 2002</b>	<b>642,537</b>
<b>Amortisation</b>	
At 31 December 2001	-
Charge for the year	17,433
<b>At 31 December 2002</b>	<b>17,433</b>
<b>Net book value</b>	
<b>At 31 December 2002</b>	<b>625,104</b>
At 31 December 2001	93,955

## Bolam Energy Limited

### 7 Debtors

	2002	2001
	£	£
Trade debtors	30,486	-
Prepayments and accrued income	22,201	-
Recoverable taxes	-	6,551
Called up share capital unpaid	-	1,846
	<b>52,687</b>	<b>8,397</b>

### 8 Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	15,388	-
Other taxes and social security costs	4,681	-
Amounts due to CLPE Projects 2 Limited	528,794	75,579
Amounts due to group undertakings	12,542	-
Accruals and deferred income	16,788	1,000
Other creditors	67,000	-
	<b>645,193</b>	<b>76,579</b>

### 9 Provision for liabilities and charges

#### Deferred tax

	2002	2001
	£	£
<b>Provision for deferred tax comprises:</b>		
Depreciation in advance of capital allowances	<b>(5,004)</b>	-
Asset at start of year	-	-
Deferred tax credit in profit and loss account for year	<b>(5,004)</b>	-
Asset at end of year	<b>(5,004)</b>	-

## Bolam Energy Limited

### 10 Called up share capital

	2002 £	2001 £
<b>Authorised</b>		
5,000,000 ordinary shares of £0.01 each	50,000	50,000
<b>Allotted and called up</b>		
<i>Fully Paid</i>		
2,784,643 ordinary shares of £0.01 each (2001: 2,599,999)	27,846	26,000
<i>Nil Paid</i>		
Nil ordinary shares of £0.01 each (2001: 184,644)	-	1,846
	27,846	27,846

### 11 Reconciliation of movement in equity shareholders' funds

	2002 £	2001 £
Profit/(loss) for the year/period	11,823	(1,040)
Opening equity shareholders' funds	25,779	26,819
Closing equity shareholders' funds	37,602	25,779

### 12 Commitments and guarantees

There were no capital commitments or guarantees at the end of the financial period (2001: £nil).

The company has guaranteed the bank loans of its intermediate parent company, CLPE Projects 2 Limited, and its fellow subsidiaries amounting to £13,575,075 (2001: £nil) by means of a debenture providing fixed and floating charges over the company's assets.

### 13 Ultimate parent and controlling company

The company's ultimate parent company 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 Trustee of the Trust. The directors consider that Ridgewood Energy Holdings Corporation is the ultimate controlling party of the company at 31 December 2002.

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 is that headed by CLPE Projects 2 Limited. The largest group in which the results of the company are consolidated is that headed by Ridgewood Power LLC.

The consolidated financial statements of CLPE Holdings Limited are available from 20-22 Queen Street, Mayfair, London, W1J 5PR.

## **Bolam Energy Limited**

### **14 Related party transactions**

There were no transactions with related parties during 2002.

In the prior period, the company paid £27,480 for legal and professional fees to Arbutus Projects Limited. Prior to 16 October 2001, the company was ultimately owned 100% by Arbutus Energy Limited which also owned 100% of Arbutus Projects Limited.