

Bellhouse Energy Limited
Directors' report and financial statements
for the year ended 31 December 2001.

Registered Number 03466081



A01
COMPANIES HOUSE

AJZ6AGXL

0472
21/12/02

Bellhouse Energy Limited
Directors' report and financial statements
for the year ended 31 December 2001

Contents

Directors and advisors for the year ended 31 December 2001.....	1
Directors' report for the year ended 31 December 2001.....	2
Independent auditors' report to the members of Bellhouse Energy Limited.....	4
Profit and loss account for the year ended 31 December 2001.....	5
Balance sheet as at 31 December 2001.....	6
Statement of accounting policies.....	7
Notes to the financial statements for the year ended 31 December 2001.....	8

Bellhouse Energy Limited

Directors and advisors for the year ended 31 December 2001

Directors

R D Holmes
D R Wilson
R E Swanson
D H FitzHerbert (appointed 14 November 2001)
A T West (appointed 14 November 2001)
H H P Wyndham (appointed 14 November 2001)

Secretary

A H Pentecost (appointed 14 November 2001)

Auditors

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Solicitors

Eversheds
115 Colmore Row
Birmingham
West Midlands
B3 3AL

Registered Office

20-22 Queen Street
Mayfair
London
W1J 5PR

Registered Number

03466081

Bellhouse Energy Limited

Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities

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

Business review

The profit for the year was £170,245 (year ended 31 December 2000 : £130,433).

The directors do not recommend the payment of a dividend (year ended 31 December 2000: £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:

R D Holmes

D R Wilson

R E Swanson

D H FitzHerbert (appointed 14 November 2001)

A T West (appointed 14 November 2001)

H H P Wyndham (appointed 14 November 2001)

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 period. 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 2001 and that applicable accounting standards have been followed.

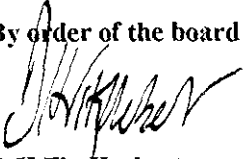
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of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

Bellhouse Energy Limited

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



D H FitzHerbert

Director

12 November 2002

Bellhouse Energy Limited

Independent auditors' report to the members of Bellhouse 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.

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.

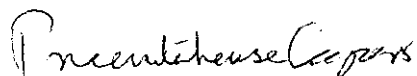
Basis of audit opinion

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
Chartered Accountants and Registered Auditors
Manchester
12 November 2002

Bellhouse Energy Limited

Profit and loss account for the year ended 31 December 2001

	Notes	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Continuing			
Turnover		810,005	792,572
Cost of sales		(449,459)	(433,324)
Gross profit		360,546	359,248
Administrative expenses		(15,619)	(28,196)
Operating profit		344,927	331,052
Interest payable and similar charges	4	(99,576)	(147,408)
Profit on ordinary activities before taxation	1	245,351	183,644
Taxation	5	(75,106)	(53,211)
Profit on ordinary activities after taxation		170,245	130,433
Retained profit brought forward		256,173	125,740
Retained profit carried forward		426,418	256,173

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

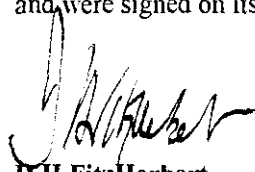
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Bellhouse Energy Limited

Balance sheet as at 31 December 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	6	1,415,322	1,531,983
Current assets			
Debtors	7	635,675	749,720
Creditors: amounts falling due within one year	8	(192,601)	(186,835)
Net current assets		443,074	562,885
Total assets less current liabilities		1,858,396	2,094,868
Creditors: amounts falling due after more than one year	9	(1,241,764)	(1,713,385)
Provisions for liabilities and charges	10	(180,214)	(115,310)
Net assets		436,418	266,173
Capital and reserves			
Called up share capital	11	10,000	10,000
Retained profit		426,418	256,173
Equity shareholders' funds	12	436,418	266,173

The financial statements on pages 5 to 12 were approved by the board of directors on 12 November 2002 and were signed on its behalf by:



D H FitzHerbert
Director

Bellhouse 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 installments over their estimated useful economic lives from commissioning as follows:

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

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 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 Holding'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.

Bellhouse Energy Limited

Notes to the financial statements for the year ended 31 December 2001

1 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Auditors' remuneration	2,088	2,022
Depreciation of tangible fixed assets	116,661	117,094

Fees paid to PricewaterhouseCoopers for non-audit services were £300 (2000: £250)

2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the company (2000: £nil)

3 Staff numbers and costs

No staff were employed by the company during the year (2000: £nil)

4 Interest payable and similar charges

	2001 £	2000 £
On loan from CLPE 1991 Limited (Ridgewood Renewables Limited)	10,764	41,711
On loan from CLPE Projects 1 Limited (Ridgewood Renewable Projects Limited)	-	80,095
On loan from CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	88,812	25,602
	99,576	147,408

Bellhouse Energy Limited

5 Taxation

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Group relief payable at 30% (2000:30%)	10,202	13,525
Deferred tax charge - current year	64,904	43,230
Adjustment in respect of prior years (including deferred tax)	-	(3,544)
	<u>75,106</u>	<u>53,211</u>

It is the policy of the company, and other group undertakings, to record a tax charge or credit in the profit and loss account calculated at the tax rate prevailing in the year for tax payable to the Inland Revenue, or for group relief to be received from or surrendered to other group undertakings.

6 Tangible fixed assets

	Plant and machinery £
Cost	
At 31 December 2001 and 31 December 2000	<u>1,749,908</u>
Depreciation	
At 31 December 2000	217,925
Charge for the year	116,661
At 31 December 2001	<u>334,586</u>
Net book value	
At 31 December 2001	<u>1,415,322</u>
At 31 December 2000	<u>1,531,983</u>

Bellhouse Energy Limited

7 Debtors

	2001	2000
	£	£
Trade debtors	80,083	78,152
Amounts due from CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	469,609	592,823
Prepayments and accrued income	85,983	70,391
Amounts due from group undertakings	-	8,354
	635,675	749,720

8 Creditors: amounts falling due within one year

	2001	2000
	£	£
Amounts due to CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	35,114	82,864
Trade creditors	20,973	20,508
Amounts due to group undertakings	10,202	-
Other taxation and social security	21,808	22,808
Accruals and deferred income	104,504	60,655
	192,601	186,835

9 Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Loan from CLPE Projects 2 Limited (Ridgewood Renewable Projects 2 Limited)	1,241,764	1,276,878
Loan from CLPE 1991 Limited (Ridgewood Renewables Limited)	-	436,507
	1,241,764	1,713,385
Loans can be analysed as falling due:		
In one year or less, or on demand	35,114	82,864
Between one and two years	74,314	91,620
Between two and five years	269,421	213,364
In five years or more	898,029	971,893
	1,276,878	1,359,741

Interest is payable on the debt at 7.17%.

Bellhouse Energy Limited

10 Provisions for liabilities and charges

Deferred taxation

	2001 £	2000 £
At beginning of year	115,310	75,624
Charge for the year	64,904	39,686
At end of year	180,214	115,310

Deferred tax is provided in respect of capital allowances in excess of depreciation.
There is no unprovided deferred taxation as at 31 December 2001 (2000: £nil).

11 Called up share capital

	2001 £	2000 £
Authorised 10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid 10,000 ordinary shares of £1 each	10,000	10,000

12 Reconciliation of movement in equity shareholders' funds

	2001 £	2000 £
Retained profit for the financial year	170,245	130,433
Opening equity shareholders' funds	266,173	135,740
Closing equity shareholders' funds	436,418	266,173

13 Commitments and guarantees

There were no capital commitments at the end of the financial year (31 December 2000: £nil).

The company has guaranteed the bank loans of its intermediate parent company, CLPE Projects 2 Limited, and its fellow subsidiaries amounting to £10,551,555 (2000: £6,840,122) by means of a debenture providing fixed and floating charges over the company's assets.

Bellhouse Energy Limited

14 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 2001.

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 Holdings 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.

15 Related party transactions

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

The company paid £143,949 (2000: £201,464) for operations and maintenance costs to CLP Envirogas Limited (formerly Ridgewood CLP Management Limited) for the year.

The company paid £7,976 (2000: £10,394) for administration costs to CLP Services Limited for the year.

Prior to 16 October 2001, CLP Envirogas Limited was owned 50% by the company's intermediate parent undertaking CLPE Holdings Limited (formerly Ridgewood UK Limited), the other 50% being held by the parent company of CLP Services Limited.