

Company Registration No. 2655 RS (England and Wales)

BOYNDIE WIND FARM CO-OPERATIVE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

COMPANY INFORMATION

Directors

Mr J Balharry
Mr W Ellis
Mr D Leece
Mr M Copic
Mr D Richard-Jones
Mr R Maddock (Appointed 28 May 2008)
Mr M Pitman (Appointed 28 May 2008)
Mr B Hendrie (Appointed 28 May 2008)

Secretary

Mrs A Heslop

Company number

2655 RS

Registered office

Robert Owen House
87 Bath Street
Glasgow
G2 2EE

Auditors

Melville & Co.
18 Trinity Enterprise Centre
Furness Business Park
Barrow-in-Furness
Cumbria
LA14 2PN

Bankers

Co-operative Bank plc
1 Balloon Street
Manchester
M60 4EP

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

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BOYNDIE WIND FARM CO-OPERATIVE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the Co-operative continued to be that of the generation and supply of electricity from renewable sources.

Directors

The following directors have held office since 1 January 2008:

Mr A King	(Resigned 28 May 2008)
Mr W Allan	(Resigned 28 May 2008)
Mr J Balharry	
Mr W Ellis	
Mr D Leece	
Mr M Copic	
Mr D Richard-Jones	
Mr R Maddock	(Appointed 28 May 2008)
Mr M Pitman	(Appointed 28 May 2008)
Mr B Hendrie	(Appointed 28 May 2008)

In accordance with the co-operative's rules of association Mr J R Balharry and Mr M Copic will retire by rotation and, being eligible, offer themselves for re-election.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Melville & Co. be reappointed as auditors of the Co-operative will be put to the Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Rules of the Co-operative require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Co-operative and of the profit or loss of the Co-operative 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 Co-operative 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 Co-operative and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965-1978. They are also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the board

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Mrs A Heslop

Secretary

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BOYNDIE WIND FARM CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BOYNDIE WIND FARM CO-OPERATIVE LIMITED

We have audited the financial statements of Boyndie Wind Farm Co-operative Limited on pages 5 to 10 for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities.

This report is made solely to the co-operative's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the co-operative's members 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 co-operative and the co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the Co-operative'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 Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Co-operative 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 Directors 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 Co-operative'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.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF BOYNDIE WIND FARM CO-OPERATIVE LIMITED

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 co-operative's affairs as at 31 December 2008 and of its profit for the year then ended ;
- the information given in the directors' report is consistent with the financial statements; and
- have been properly prepared in accordance with the Industrial and Provident Societies Act 1965, and the Friendly and Industrial Provident Societies Act 1968.

Melville & Co.

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Chartered Accountants

Registered Auditor

18 Trinity Enterprise Centre
Furness Business Park
Barrow-in-Furness
Cumbria
LA14 2PN

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

		2008	2007
	Notes	£	£
Turnover		132,943	121,056
Cost of sales		(18,353)	(16,080)
		<hr/>	<hr/>
Gross profit		114,590	104,976
Administrative expenses		(44,638)	(45,089)
Other operating income		7	-
		<hr/>	<hr/>
Operating profit	2	69,959	59,887
Other interest receivable and similar income	3	5,333	2,906
		<hr/>	<hr/>
Profit on ordinary activities before taxation		75,292	62,793
Tax on profit on ordinary activities	4	-	(7,122)
		<hr/>	<hr/>
Members share interest	5	(75,292)	(26,736)
		<hr/>	<hr/>
Retained profit for the year		-	28,935
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Intangible assets	6		610,143		638,303
Investments	7		1		1
			<u>610,144</u>		<u>638,304</u>
Current assets					
Debtors	8	76,732		69,059	
Cash at bank and in hand		150,855		84,687	
		<u>227,587</u>		<u>153,746</u>	
Creditors: amounts falling due within one year	9	(109,731)		(62,050)	
Net current assets			<u>117,856</u>		<u>91,696</u>
Total assets less current liabilities			<u>728,000</u>		<u>730,000</u>
Capital and reserves					
Called up share capital	10		728,000		730,000
Shareholders' funds	11		<u>728,000</u>		<u>730,000</u>

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

Approved by the Board for issue on

.....
Mr D Leece
Director

.....
Mr R Maddock
Director

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable from the royalty instrument for the Co-operative's share of electricity generated from the Boyndie Airfield Wind Farm site.

1.4 Royalty instrument

The royalty instrument is valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal instalments over 24 years from the date of commencement of generation of electricity from the site in September 2006.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating profit	2008	2007
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	28,160	28,160
Auditors' remuneration	650	500
Directors' emoluments	3,500	-
	<u> </u>	<u> </u>
3 Investment income	2008	2007
	£	£
Bank interest	5,333	2,906
	<u> </u>	<u> </u>
	<u>5,333</u>	<u>2,906</u>

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

4	Taxation	2008	2007
		£	£
	Domestic current year tax		
	U.K. corporation tax	-	7,122
		<hr/>	<hr/>
	Current tax charge	-	7,122
		<hr/> <hr/>	<hr/> <hr/>

The Co-operative intends to distribute its available profits as members share interest which is an allowable deduction against taxable profits. The taxable profit will be distributed in full and therefore no corporation tax arises. There was a charge in the previous year due to the effect of disallowable share offer costs.

5	Members share interest	2008	2007
		£	£
	Members share interest	75,292	26,736
		<hr/> <hr/>	<hr/> <hr/>

6	Intangible fixed assets	Patents	
		£	
	Cost		
	At 1 January 2008 & at 31 December 2008		675,850
			<hr/>
	Amortisation		
	At 1 January 2008		37,547
	Charge for the year		28,160
			<hr/>
	At 31 December 2008		65,707
			<hr/>
	Net book value		
	At 31 December 2008		610,143
			<hr/> <hr/>
	At 31 December 2007		638,303
			<hr/> <hr/>

The intangible asset represents the acquisition of a royalty instrument entitling the Co-operative to a share of the revenues less an allocation of operating costs for electricity generated from the Boyndie Airfield Wind Farm site.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2008 & at 31 December 2008	1
Net book value	
At 31 December 2008	1
At 31 December 2007	1

The fixed asset investment represents the company's £1 holding in Energy4All Limited, the company which provides management services to the Co-operative (see note 12).

8 Debtors	2008 £	2007 £
Trade debtors	76,554	68,715
Other debtors	178	344
	<u>76,732</u>	<u>69,059</u>

9 Creditors: amounts falling due within one year	2008 £	2007 £
Trade creditors	8,960	16,477
Taxation and social security	10,233	14,902
Other creditors	90,538	30,671
	<u>109,731</u>	<u>62,050</u>

Other creditors include £75,953 members share interest due.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

10 Share capital	2008	2007
	£	£
Allotted, called up and fully paid		
728,000 Ordinary shares of £1 each	728,000	730,000
	<u>728,000</u>	<u>730,000</u>

During the year the Co-operative re-purchased 2000 shares following the death of a member.

11 Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the financial year	75,292	55,671
Members share interest	(75,292)	(26,736)
	<u>-</u>	<u>28,935</u>
Re-purchase of shares from members	(2,000)	-
	<u>(2,000)</u>	<u>28,935</u>
Net (depletion in)/addition to shareholders' funds	(2,000)	28,935
Opening shareholders' funds	730,000	701,065
	<u>730,000</u>	<u>701,065</u>
Closing shareholders' funds	728,000	730,000
	<u>728,000</u>	<u>730,000</u>

The Co-operative intends, as far as circumstances allow, to distribute all available reserves as members share interest each year.

12 Control

There is no controlling interest in the Co-operative.

13 Related party transactions

The management services of the Co-operative are carried out by Energy4All Limited, a company which specialises in assisting in the setting up, development and management of renewable energy co-operatives. Boyndie Wind Farm Co-operative Limited holds one share in this company and Mr A King (until his retirement) was a director of both organisations. Following the retirement of Mr A King and the appointment of new directors at the AGM Mr D Richard-Jones became an additional director as a representative of Energy4All Limited and does not need to retire by rotation. Energy4All Limited has charged administration fees of £13,294 for the year.