

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 2009**

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## COMPANY INFORMATION

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### Directors

Mr J Balharry  
Mr W Ellis  
Mr D Leece  
Mr M Copic  
Mr D Richard-Jones  
Mr R Maddock  
Mr M Pitman  
Mr B Hendrie

### 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

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# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

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# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2009

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The directors present their report and financial statements for the year ended 31 December 2009.

#### 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 2009:

Mr J Balharry  
Mr W Ellis  
Mr D Leece  
Mr M Copic  
Mr D Richard-Jones  
Mr R Maddock  
Mr M Pitman  
Mr B Hendrie

In accordance with the co-operative's rules of association Mr W Ellis and Mr D Leece will retire by rotation. Mr Leece will offer himself for re-election.

#### Auditors

In accordance with the Co-operative's rules of association, a resolution proposing that Melville & Co. be reappointed as auditors of the Co-operative will be put at a 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 1965-2002. 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.

This report has been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

By order of the board

.....  
Mrs A Heslop  
**Secretary**  
.....

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF BOYNDIE WIND FARM CO-OPERATIVE LIMITED

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We have audited the financial statements of Boyndie Wind Farm Co-operative Limited on pages 4 to 9 for the year ended 31 December 2009 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 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**

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, as independent auditor, 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 United Kingdom Generally Accepted Accounting Practice and with the Industrial and Provident Societies Acts 1965 to 2002. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained or if proper books of account have not been kept by the Co-operative.

In addition we state if we have not received all the information and explanations we require for our audit, or if the Co-operative's balance sheet and profit and loss account are not in agreement with the books of account.

We read other information contained in the Directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **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

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#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the co-operative's affairs as at 31 December 2009 and of its result for the year then ended and have been properly prepared in accordance with UK Generally Accepted Accounting Practice and with the Industrial and Provident Societies Acts 1965 to 2002.

**Melville & Co.**

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Chartered Accountants

**Statutory 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 2009

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		2009	2008
	Notes	£	£
<b>Turnover</b>		124,604	132,943
Cost of sales		(24,127)	(18,353)
<b>Gross profit</b>		100,477	114,590
Administrative expenses		(47,760)	(44,638)
Other operating income		-	7
<b>Operating profit</b>	<b>2</b>	52,717	69,959
Other interest receivable and similar income	<b>3</b>	714	5,333
<b>Profit on ordinary activities before taxation</b>		53,431	75,292
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit for the year</b>		53,431	75,292

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# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Intangible assets	6	581,983		610,143	
Investments	7	1		1	
			<u>581,984</u>		<u>610,144</u>
<b>Current assets</b>					
Debtors	8	44,317		76,732	
Cash at bank and in hand		176,504		150,855	
			<u>220,821</u>		<u>227,587</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(74,805)</u>		<u>(109,731)</u>	
<b>Net current assets</b>			<u>146,016</u>		<u>117,856</u>
<b>Total assets less current liabilities</b>			<u>728,000</u>		<u>728,000</u>
<b>Capital and reserves</b>					
Called up share capital	10	728,000		728,000	
<b>Shareholders' funds</b>	11	728,000		728,000	

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 2009

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### 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 April 2008).

#### 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 (including environmental attributes) from the Boyndie Airfield Wind Farm site. For the first three years of operation a fixed all inclusive unit price was agreed with the wind farm operator. From 1 September 2009 the price is variable based on the price achieved for the sale of electricity and environmental attributes.

#### 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.

<b>2 Operating profit</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Amortisation of intangible assets	28,160	28,160
Auditors' remuneration	700	650
Directors' emoluments	4,007	3,500
	<u>          </u>	<u>          </u>
<b>3 Investment income</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank interest	714	5,333
	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

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<b>4</b>	<b>Taxation</b>	<b>2009</b>	<b>2008</b>
	Current tax charge	-	-
		<u>          </u>	<u>          </u>

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.

<b>5</b>	<b>Members share interest</b>	<b>2009</b>	<b>2008</b>
		£	£
	Members share interest	53,431	75,292
		<u>          </u>	<u>          </u>

<b>6</b>	<b>Intangible fixed assets</b>		<b>Patents</b>
			£
	<b>Cost</b>		
	At 1 January 2009 & at 31 December 2009		675,850
			<u>          </u>
	<b>Amortisation</b>		
	At 1 January 2009		65,707
	Charge for the year		28,160
			<u>          </u>
	At 31 December 2009		93,867
			<u>          </u>
	<b>Net book value</b>		
	At 31 December 2009		581,983
			<u>          </u>
	At 31 December 2008		610,143
			<u>          </u>

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 2009

### 7 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 January 2009 & at 31 December 2009	1
<b>Net book value</b>	
At 31 December 2009	1
At 31 December 2008	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	2009 £	2008 £
Trade debtors	-	76,554
Other debtors	44,317	178
	<u>44,317</u>	<u>76,732</u>

9 Creditors: amounts falling due within one year	2009 £	2008 £
Trade creditors	10,055	8,960
Taxation and social security	1,032	10,233
Other creditors	63,718	90,538
	<u>74,805</u>	<u>109,731</u>

Other creditors include £54,460 (2008 - £75,953) members share interest due.

10 Share capital	2009 £	2008 £
<b>Allotted, called up and fully paid</b>		
728,000 Ordinary shares of £1 each	<u>728,000</u>	<u>728,000</u>

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2009

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11 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Profit for the financial year	53,431	75,292
Members share interest	(53,431)	(75,292)
	<hr/>	<hr/>
	-	-
Re-purchase of shares from members	-	(2,000)
	<hr/>	<hr/>
Net depletion in shareholders' funds	-	(2,000)
Opening shareholders' funds	728,000	730,000
	<hr/>	<hr/>
Closing shareholders' funds	728,000	728,000
	<hr/> <hr/>	<hr/> <hr/>

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. One of the Co-operative's directors, Mr D Richard-Jones is a representative of Energy4All Limited and does not need to retire by rotation. Energy4All Limited has charged administration fees of £12,460 for the year.

### 14 Post balance sheet events

The Co-operative has entered into a supplemental royalty instrument agreement (applicable from 1 April 2010) to extend the entitlement to royalty income to cover an eighth turbine which has been installed at the Boyndie Airfield Wind Farm site. This investment of £143,740 is funded by a share issue.