

Company Registration No. 2655RS (England and Wales)

**BOYNDIE WIND FARM CO-OPERATIVE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## COMPANY INFORMATION

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**Directors**

Mr J Balharry  
Mr D Leece  
Mr R Maddock  
Mr C McKay  
Mr C Ewen  
Mr M Pitman  
Mrs B Holligan

**Secretary**

Mrs A Heslop

**Company number**

2655RS

**Registered office**

The Co-operative Group  
Newhouse Composite Distribution Centre Floor 3  
401 Edinburgh Road  
Newhouse  
Lanarkshire  
ML1 5GH

**Auditors**

Melville & Co  
17/18 Trinity Enterprise Centre  
Furness Business Park  
BARROW-IN-FURNESS  
Cumbria  
LA14 2PN

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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 2014**

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The directors present their report and financial statements for the year ended 31 December 2014.

### 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 2014:

Mr J Balharry

Mr D Leece

Mr R Maddock

Mr D Richard-Jones (Resigned 21 May 2014)

Mr C McKay

Mr C Ewen

Mr M Pitman

Mrs B Holligan

In accordance with the Co-operative's Rules of Association, Mr C Ewen and Mr M Pitman retire by rotation and, being eligible, offer themselves for re-election.

### Auditors

In accordance with the Co-operative's rules of association, a resolution proposing that Melville & Cobe reappointed as auditors of the Co-operative will be put at 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 Co-operative and Community Benefit Societies Act 2014. 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

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Mrs A Heslop

**Secretary**

Dated

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# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## INDEPENDENT AUDITORS' REPORT

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

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We have audited the financial statements of Boyndie Wind Farm Co-operative Limited for the year ended 31 December 2014 set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Co-operative's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of; whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014.

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been maintained by the Co-operative in accordance with the requirements of the legislation; or
- the profit and loss account to which our report relates, and the balance sheet are not in agreement with the books of account of the Co-operative ; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

**Melville & Co**

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**Chartered Accountants  
Statutory Auditor**

17/18 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 2014

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	Notes	2014 £	2013 £
Turnover		139,886	156,983
Cost of sales		(36,933)	(28,975)
<b>Gross profit</b>		<u>102,953</u>	<u>128,008</u>
Administrative expenses		(57,348)	(60,795)
<b>Operating profit</b>	<b>2</b>	<u>45,605</u>	<u>67,213</u>
Other interest receivable and similar income	<b>3</b>	859	3,098
<b>Profit on ordinary activities before taxation</b>		<u>46,464</u>	<u>70,311</u>
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit for the year</b>		<u><u>46,464</u></u>	<u><u>70,311</u></u>

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

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	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Intangible assets	6		556,082		591,577
Investments	7		1		1
			<u>556,083</u>		<u>591,578</u>
<b>Current assets</b>					
Debtors	8	104,825		65,898	
Cash at bank and in hand		49,659		323,679	
		<u>154,484</u>		<u>389,577</u>	
<b>Creditors: amounts falling due within one year</b>	9	(93,353)		(99,415)	
<b>Net current assets</b>			61,131		290,162
<b>Total assets less current liabilities</b>			<u>617,214</u>		<u>881,740</u>
<b>Capital and reserves</b>					
Called up share capital	10		617,214		881,740
<b>Shareholders' funds</b>			<u>617,214</u>		<u>881,740</u>

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

Company Registration No. 2655RS



# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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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.

#### 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. The supplementary royalty instrument which extends the original agreement to cover an additional turbine is amortised over 20 years and 5 months to give the same date for final write down. The period of amortisation is based on the number of years of the agreement which assumes the wind farm will be operational over this term. The agreement also specifies that, if the wind farm is decommissioned before the expiration of this term or there are other circumstances requiring the seller of the royalty agreement to terminate the agreement before its full term, that party will re-purchase the royalty agreement for a consideration equal to its depreciated value. The Co-operative's board therefore consider that the period of amortisation referred to above is the appropriate rate to arrive at a true and fair valuation of the royalty instrument. This is an exception to the requirements of the Financial Reporting Standard for Smaller Entities that intangible assets should not be depreciated over a period in excess of twenty years.

#### 1.5 Investments

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

### 2 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	35,495	35,495
Auditors' remuneration	795	770
Directors' remuneration	4,000	4,000
	<u>          </u>	<u>          </u>

### 3 Investment income

	2014	2013
	£	£
Bank interest	859	3,098
	<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 2014

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### 4 Taxation

The Co-operative intends to distribute its available profits as members share interest which is an allowable deduction against taxable profits. Members share interest should cover the full taxable profit and therefore no corporation tax arises.

5 Members' share interest	2014 £	2013 £
Members' share interest	46,464	70,311

### 6 Intangible fixed assets

	Royalty instrument £
<b>Cost</b>	
At 1 January 2014 & at 31 December 2014	825,590
<b>Amortisation</b>	
At 1 January 2014	234,013
Charge for the year	35,495
At 31 December 2014	269,508
<b>Net book value</b>	
At 31 December 2014	556,082
At 31 December 2013	591,577

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 2014

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### 7 Fixed asset investments

	Unlisted investments £
<b>Cost</b>	
At 1 January 2014 & at 31 December 2014	1
	<hr/>
<b>Net book value</b>	
At 31 December 2014	1
	<hr/> <hr/>
At 31 December 2013	1
	<hr/> <hr/>

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	2014 £	2013 £
Other debtors	104,825	65,898
	<hr/> <hr/>	<hr/> <hr/>

9 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	8,090	10,247
Taxation and social security	6,999	8,391
Other creditors	78,264	80,777
	<hr/> <hr/>	<hr/> <hr/>
	93,353	99,415
	<hr/> <hr/>	<hr/> <hr/>

Other creditors include £46,464 (2013 - £71,219) members share interest due.

# BOYNDIE WIND FARM CO-OPERATIVE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

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10 Share capital	2014	2013
	£	£
<b>Allotted, called up and fully paid</b>		
617,214 Ordinary shares of £1 each	617,214	881,740
	<u>617,214</u>	<u>881,740</u>

Under an amendment of the rules of the Co-operative registered with the Financial Conduct Authority on 30 July 2014, the board has the power to make partial repayments of capital during the life of the Co-operative and the board may resolve members' share capital be withdrawn from all members in proportion to their holding.

Under this power, the board authorised a repayment of £264,526 (30%) on 28 August 2014.

Other than this, members' shares are only transferable and withdrawable in limited circumstances.

### 11 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. Energy4All Limited has charged administration fees of £13,989 (2013 - £15,698) for the year and £1,220 (2013 - £2,415) for dealing with share transfers between members and the return of equity. The Co-operative owes £8,090 (2013 - £10,247) to Energy4All Limited at 31 December 2014, which is included in trade creditors. The Co-operative is owed £25,000 (2013 - £Nil) by Energy4All Limited which is the balance of funds transferred to be invested by Energy4All Limited in an alternative bank in order to reduce the potential risk not covered by the Financial Services Compensation Scheme. This balance has now been fully repaid. Energy4All paid over the interest earned from these funds of £642 (2013 - £nil) in the year.

### 12 Control

There is no controlling interest in the Co-operative.