

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 2010

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

COMPANY INFORMATION

Directors	Mr J Balharry Mr D Leece Mr M Copic Mr R Maddock Mr D Richard-Jones Mrs L Jappy (Appointed 21 September 2010) Mr M Pitman Mrs B Holligan (Appointed 26 May 2010)
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 2010

The directors present their report and financial statements for the year ended 31 December 2010.

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 2010:

Mr J Balharry

Mr W Ellis (Resigned 26 May 2010)

Mr D Leece

Mr M Copic

Mr R Maddock

Mr D Richard-Jones

Mrs L Jappy (Appointed 21 September 2010)

Mr M Pitman

Mrs B Holligan (Appointed 26 May 2010)

Mr B Hendrie (Resigned 21 September 2010)

In accordance with the Co-operative's rules of association Mr R Maddock retires by rotation and will offer himself for re-election and Mrs L Jappy who was co-opted onto the board during the year will offer herself for 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

Dated

.....

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOYNDIE WIND FARM CO-OPERATIVE LIMITED

We have audited the financial statements of Boyndie Wind Farm Co-operative Limited for the year ended 31 December 2010 set out on pages 5 to 10. 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 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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 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.

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 2010 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 Industrial and Provident Societies Acts 1965 to 2002.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BOYNDIE WIND FARM CO-OPERATIVE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the the Friendly and Industrial and Provident Societies Acts 1965 to 2002 require 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.

.....
Melville & Co

**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 2010

		2010	2009
	Notes	£	£
Turnover		153,730	124,604
Cost of sales		(30,610)	(24,127)
Gross profit		123,120	100,477
Administrative expenses		(60,381)	(47,760)
Operating profit	2	62,739	52,717
Other interest receivable and similar income	3	1,013	714
Profit on ordinary activities before taxation		63,752	53,431
Tax on profit on ordinary activities	4	-	-
Profit for the year		63,752	53,431

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010		2009	
		£	£	£	£
Fixed assets					
Intangible assets	6	698,062		581,983	
Investments	7		1		1
			<u>698,063</u>		<u>581,984</u>
Current assets					
Debtors	8	58,505		44,317	
Cash at bank and in hand		220,150		176,504	
		<u>278,655</u>		<u>220,821</u>	
Creditors: amounts falling due within one year	9	<u>(94,978)</u>		<u>(74,805)</u>	
Net current assets			<u>183,677</u>		<u>146,016</u>
Total assets less current liabilities			<u>881,740</u>		<u>728,000</u>
Capital and reserves					
Called up share capital	10	881,740		728,000	
Shareholders' funds			<u>881,740</u>		<u>728,000</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

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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. 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.

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

	2010	2009
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	33,661	28,160
Auditors' remuneration	685	700
Directors' remuneration	4,009	4,007
	<u>4,009</u>	<u>4,007</u>

3 Investment income

	2010	2009
	£	£
Bank interest	1,013	714
	<u>1,013</u>	<u>714</u>

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

4 Taxation	2010	2009
Current tax charge	-	-

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.

5 Members share interest	2010 £	2009 £
Members share interest	63,752	53,431

6 Intangible fixed assets	Other intangible assets £
Cost	
At 1 January 2010	675,850
Additions	149,740
At 31 December 2010	825,590
Amortisation	
At 1 January 2010	93,867
Charge for the year	33,661
At 31 December 2010	127,528
Net book value	
At 31 December 2010	698,062
At 31 December 2009	581,983

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. Additional costs were incurred in the year on a supplementary royalty agreement to extend the co-operative share to cover the 8 turbines of the enlarged wind farm rather than the 7 turbines originally built.

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

7 Fixed asset investments

	Unlisted investments £
Cost	
At 1 January 2010 & at 31 December 2010	1
Net book value	
At 31 December 2010	1
At 31 December 2009	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	2010 £	2009 £
Other debtors	58,505	44,317

9 Creditors: amounts falling due within one year	2010 £	2009 £
Trade creditors	11,692	10,055
Taxation and social security	6,938	1,032
Other creditors	76,348	63,718
	94,978	74,805

Other creditors include £65,284 (2009 - £54,460) members share interest due.

10 Share capital	2010 £	2009 £
Allotted, called up and fully paid		
881,740 Ordinary shares of £1 each	881,740	728,000

During the year the company issued 153,740 additional £1 member shares which were promoted to existing shareholders in order to fund the purchase of the supplementary royalty instrument (see note 6).

BOYNDIE WIND FARM CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2010***

11 Control

There is no controlling interest in the Co-operative.