



Financial statements
Aikengall Community Wind
Company Limited

For the year ended 30 November 2008

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COMPANIES HOUSE

Company No. SC313596

Officers and professional advisers

Company registration number	SC313596
Registered office	Edinburgh Quay 133 Fountainbridge Edinburgh Midlothian EH3 9AG
Directors	D A Wood R M H Wood
Secretary	R M H Wood
Bankers	HSBC Bank plc 8 Canada Square London EH14 5HQ
Solicitors	Tods Murray LLP Edinburgh Quay 133 Fountainbridge Edinburgh Midlothian EH3 9AG
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 4th Floor Royal Liver Building Liverpool L3 1PS

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 November 2008.

Principal activity

The company was incorporated on 18 December 2006. The principal activity of the company during the period was that of the development and operation of community renewable energy projects.

Directors

The directors who served the company during the year were as follows:

D A Wood
R M H Wood

Directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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. In preparing these 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 company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

Small company provisions

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'R M H Wood', with a large, stylized initial 'R'.

R M H Wood
Director
25 June 2009



Report of the independent auditor to the members of Aikengall Community Wind Company Limited

We have audited the financial statements of Aikengall Community Wind Company Limited for the year ended 30 November 2008 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the members of Aikengall Community Wind Company Limited (continued)

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LIVERPOOL
25 June 2009

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The accounting policies have remained unchanged from the previous year with the exception of borrowing costs, details of which are set out below.

Change in accounting policy

Borrowing costs attributed to assets under construction are written off to the profit and loss account over the length of the loan. This represents a change in accounting policy as in previous years directly attributable borrowing costs were capitalised and added to the cost of the asset concerned. This has resulted in a prior year adjustment as detailed in note 4.

Going concern

Notwithstanding the deficiency in reserves and loss for the financial year, the financial statements have been prepared on the going concern basis.

In the opinion of the directors, the assessment of the company's future prospects supports the basis of preparation.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Fixed assets

All fixed assets are initially recorded at cost.

No depreciation is charged on the plant and machinery during the period of construction.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Derivative instruments

The company uses derivative financial instruments, primarily to manage exposures to fluctuations in exchange rates. Discounts and premiums are charged or credited to the profit and loss account over the life of the asset or liability to which they relate.

Profit and loss account

		Year to 30 Nov 08	Period from 18 Dec 06 to 30 Nov 07 (restated)
	Note	£	£
Turnover		-	-
Other operating charges	1	422,401	2,500
Operating loss	2	(422,401)	(2,500)
Interest receivable		186,817	-
Interest payable and similar charges		(1,058,035)	-
Loss on ordinary activities before taxation		(1,293,619)	(2,500)
Tax on loss on ordinary activities	3	-	-
Loss for the financial year	13	(1,293,619)	(2,500)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2008 £	2007 (restated) £
Fixed assets			
Tangible assets	5	<u>37,701,490</u>	<u>5,889,785</u>
Current assets			
Debtors	6	881,506	1,929,424
Cash at bank		<u>3,604,698</u>	<u>-</u>
		<u>4,486,204</u>	<u>1,929,424</u>
Creditors: amounts falling due within one year	7	<u>5,038,731</u>	<u>7,721,709</u>
Net current liabilities		<u>(552,527)</u>	<u>(5,792,285)</u>
Total assets less current liabilities		<u>37,148,963</u>	<u>97,500</u>
Creditors: amounts falling due after more than one year	8	<u>38,345,082</u>	<u>-</u>
		<u>(1,196,119)</u>	<u>97,500</u>
Capital and reserves			
Called-up equity share capital	12	100,000	100,000
Profit and loss account	13	<u>(1,296,119)</u>	<u>(2,500)</u>
(Deficit)/shareholders' funds	14	<u>(1,196,119)</u>	<u>97,500</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors and authorised for issue on 25 June 2009, and are signed on their behalf by:



R M H Wood
 Director

Notes to the financial statements

1 Other operating charges

	Year to 30 Nov 08	Period from 18 Dec 06 to 30 Nov 07 (restated)
	£	£
Administrative expenses	<u>422,401</u>	<u>2,500</u>

2 Operating loss

Operating loss is stated after charging/(crediting):

	Year to 30 Nov 08	Period from 18 Dec 06 to 30 Nov 07 (restated)
	£	£
Auditor's fees	2,850	-
Operating lease costs:		
Land & buildings	72,587	-
Net profit on foreign currency translation	<u>(203,269)</u>	<u>-</u>

3 Taxation on loss on ordinary activities

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2007 - 30%).

	Year to 30 Nov 08	Period from 18 Dec 06 to 30 Nov 07 (restated)
	£	£
Loss on ordinary activities before taxation	<u>(1,293,619)</u>	<u>(2,500)</u>
Loss on ordinary activities by rate of tax	(362,213)	(750)
Expenses not deductible for tax purposes	392	-
Capital allowances for period in excess of depreciation	(9,387)	-
Unrelieved tax losses	<u>371,208</u>	<u>750</u>
Total current tax	<u>-</u>	<u>-</u>

4 Prior year adjustment

A prior year adjustment has been processed in respect of a change in accounting policy in relation to borrowing costs. The effect of this adjustment is a reduction to tangible fixed asset additions for the period to 30 November 2007 of £388,395 and an increase to prepayments in the period to 30 November 2007 of £388,395.

5 Tangible fixed assets

	Plant & Machinery; assets under construction (restated) £
Cost	
At 1 December 2007	5,889,785
Additions	31,811,705
At 30 November 2008	<u>37,701,490</u>
Depreciation	
At 1 December 2007 and 30 November 2008	—
Net book value	
At 30 November 2008	<u>37,701,490</u>
At 30 November 2007	<u>5,889,785</u>

6 Debtors

	2008 £	2007 (restated) £
Amounts owed by related parties	1,954	—
VAT recoverable	324,064	907,385
Called up share capital not paid	100,000	100,000
Other debtors	455,488	922,039
	<u>881,506</u>	<u>1,929,424</u>

7 Creditors: amounts falling due within one year

	2008	2007 (restated)
	£	£
Bank loan	76,598	-
Trade creditors	2,648,630	6,095,136
Amounts owed to related parties	1,150,000	1,626,573
Other creditors	1,163,503	-
	<u>5,038,731</u>	<u>7,721,709</u>

Included within amounts owed to related parties are loan notes 2025 totalling £1,150,000. The loan notes attract interest on the principal amount outstanding at the rate of the HSBC Bank Plc base rate and are redeemable at the option of the Noteholder in any of the years commencing 30 November 2008 up to 30 June 2025, at which time any outstanding balance will be redeemed by the company.

The bank loan is secured by a fixed and floating charge over all of the assets held by the company by HSBC Bank plc. Repayments commence on 30 June 2009 and amounts are based on the repayment schedule. Interest is charged on the loan balance outstanding amounting to the average of: LIBOR, the appropriate margin and mandatory cost.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2008	2007 (restated)
	£	£
Bank loan	<u>76,598</u>	<u>-</u>

8 Creditors: amounts falling due after more than one year

	2008	2007 (restated)
	£	£
Bank loan	39,493,209	-
Less deferred arrangement costs	(1,148,127)	-
	<u>38,345,082</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2008	2007 (restated)
	£	£
Bank loan	<u>38,345,082</u>	<u>-</u>

9 Creditors - borrowings

Creditors include bank borrowings which is due for repayment as follows:

	2008	2007 (restated)
	£	£
Amounts repayable:		
In one year or less or on demand	76,598	-
In more than one year but not more than two years	2,277,274	-
In more than two years but not more than five years	9,928,629	-
In more than five years	26,139,179	-
	<u>38,421,680</u>	<u>-</u>

10 Commitments under operating leases

At 30 November 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings	
	2008	2007 (restated)
	£	£
Operating leases which expire:		
After more than 5 years	<u>169,000</u>	<u>-</u>

11 Related party transactions

R M H Wood and D A Wood are directors and shareholders of Community Windpower Limited. At the period end an amount of £nil (2007: £476,573) was owed to Community Windpower Limited in respect of expenditure incurred on the company's behalf. At 30 November 2008 an amount of £1,954 (2007: £nil) was owed by Community Windpower Limited and is included within debtors. In addition, Community Windpower Limited made a loan to Aikengall Community Wind Company Limited in the sum of £1,150,000, which remains outstanding. Interest is charged on the loan at HSBC Bank Plc's base rate. Interest of £56,542 (2007: £nil) was charged in the year and is included within accruals. During the year management charges of £250,000 (2007: £nil) were paid to Community Windpower Limited.

12 Share capital

Authorised share capital:

	2008	2007 (restated)
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted and called up:

	2008		2007 (restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2008	2007 (restated)
	£	£
Ordinary shares	<u>100,000</u>	<u>100,000</u>

13 Profit and loss account

	Year to 30 Nov 08	Period from 18 Dec 06 to 30 Nov 07 (restated)
	£	£
Balance brought forward	(2,500)	-
Loss for the financial year	<u>(1,293,619)</u>	<u>(2,500)</u>
Balance carried forward	<u>(1,296,119)</u>	<u>(2,500)</u>

14 Reconciliation of movements in shareholders' funds

	2008	2007 (restated)
	£	£
Loss for the financial year	(1,293,619)	(2,500)
New ordinary share capital subscribed	-	100,000
Net (reduction)/addition to shareholders' funds	<u>(1,293,619)</u>	<u>97,500</u>
Opening shareholders' funds	97,500	-
Closing shareholders' (deficit)/funds	<u>(1,196,119)</u>	<u>97,500</u>

15 Pensions

The company has not operated, or contributed to any pension scheme on behalf of its employees.

16 Contingencies

The directors have confirmed that there were no contingent liabilities which should be disclosed at 30 November 2008 or 30 November 2007.

17 Capital commitments

The directors have confirmed that the company was committed to £3,269,746 (2007: £40,030,916) of capital expenditure as at the year end, which has not been provided for in these financial statements.

18 Ultimate parent company

Aikengall Community Wind Company (Holdings) Limited, a company registered in England & Wales, has a 100% shareholding in the company and is therefore considered to be the ultimate parent company.