

Financial statements
Aikengall Community
Wind Company Limited

For the year ended 30 November 2009

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COMPANIES HOUSE

Officers and professional advisers

Company registration number	SC313596
Registered office	BTO Solicitors 45/51 Hanover Street Edinburgh Midlothian EH2 2JP
Directors	D A Wood R M H Wood
Secretary	R M H Wood
Bankers	HSBC Bank plc 8 Canada Square London EH14 5HQ
Solicitors	BTO Solicitors 45/51 Hanover Street Edinburgh Midlothian EH2 2JP
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 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 2009.

Principal activity

The principal activity of the company during the year 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 Directors' Report 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 each of the directors is 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 are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



R M H Wood
Secretary
9 July 2010



Grant Thornton

Independent auditor's report 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 2009 which comprise the principal accounting policies, profit and loss account, balance sheet, statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Aikengall Community Wind Company Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the report of the directors in accordance with the small companies regime.

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Liverpool
9 July 2010

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards.

The accounting policies have remained unchanged from the previous year and are set out below.

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.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Turnover is recognised at the point at which the electricity is provided.

Fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 5% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

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.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in future, or a right to pay less tax in future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. The company has not adopted a policy of discounting deferred tax.

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.

A *financial liability* exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Profit and loss account

	Note	2009 £	2008 £
Turnover		9,758,846	–
Cost of sales		2,575,269	–
Gross profit		7,183,577	–
Other operating charges	1	1,287,028	422,401
Operating profit/(loss)	2	5,896,549	(422,401)
Interest receivable		30,420	186,817
Interest payable and similar charges		(2,247,701)	(1,058,035)
Profit/(loss) on ordinary activities before taxation		3,679,268	(1,293,619)
Tax on profit/(loss) on ordinary activities	4	666,500	–
Profit/(loss) for the financial year	15	3,012,768	(1,293,619)

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

Balance sheet

	Note	2009 £	2008 £
Fixed assets			
Tangible assets	5	<u>48,502,902</u>	<u>37,701,490</u>
Current assets			
Debtors	6	6,050,303	881,506
Cash at bank		9,359,268	3,604,698
		<u>15,409,571</u>	<u>4,486,204</u>
Creditors: amounts falling due within one year	7	<u>8,260,404</u>	<u>5,038,731</u>
Net current assets/(liabilities)		<u>7,149,167</u>	<u>(552,527)</u>
Total assets less current liabilities		<u>55,652,069</u>	<u>37,148,963</u>
Creditors: amounts falling due after more than one year	8	47,624,017	38,345,082
Provisions for liabilities			
Deferred taxation	10	1,361,403	—
		<u>6,666,649</u>	<u>(1,196,119)</u>
Capital and reserves			
Called-up equity share capital	13	100,000	100,000
Revaluation reserve	14	4,688,333	—
Profit and loss account	15	1,878,316	(1,296,119)
Shareholders' funds/(deficit)	16	<u>6,666,649</u>	<u>(1,196,119)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the directors and authorised for issue on 9 July 2010, and are signed on their behalf by:



R M H Wood
 Director

Company Registration Number: SC313596

Other primary statements

Statement of total recognised gains and losses

	2009	2008
	£	£
Profit/(loss) for the financial year	3,012,768	(1,293,619)
Unrealised profit on revaluation		
Of tangible fixed assets:		
Plant & machinery	4,850,000	-
Total gains and losses recognised for the year	<u>7,862,768</u>	<u>(1,293,619)</u>

Notes to the financial statements

1 Other operating charges

	2009	2008
	£	£
Administrative expenses	<u>1,287,028</u>	<u>422,401</u>

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2009	2008
	£	£
Depreciation of owned fixed assets	1,664,021	-
Auditor's fees	7,350	2,850
Operating lease costs:		
- Land and buildings	173,671	72,587
Net loss/(profit) on foreign currency translation	<u>207,017</u>	<u>(203,269)</u>

3 Particulars of employees

No salaries or wages have been paid to employees, including the directors, during either year.

4 Taxation on profit on ordinary activities

Analysis of charge in the year:

	2009	2008
	£	£
Current tax:		
Corporation tax	-	-
Amounts payable by group companies for group relief	<u>(694,903)</u>	-
Total current tax	<u>(694,903)</u>	-
Deferred tax:		
Origination and reversal of timing differences (note 10)	2,022,650	-
Capital allowances	<u>(661,247)</u>	-
Losses	-	-
Total deferred tax (note 10)	<u>1,361,403</u>	-
Tax on profit/(loss) on ordinary activities	<u>666,500</u>	-

4 Taxation on ordinary activities (continued)

Factors affecting current tax charge:

The tax assessed on the profit/(loss) on ordinary activities for the year is lower (2008:higher) than the standard rate of corporation tax in the UK of 28% (2008 - 28%).

	2009	2008
	£	£
Profit/(loss) on ordinary activities before taxation	<u>3,679,268</u>	<u>(1,293,619)</u>
Profit/(loss) on ordinary activities by rate of tax	1,030,195	(362,213)
Expenses not deductible for tax purposes	(387)	392
Capital allowances for period in excess of depreciation	(2,014,750)	(9,387)
Group relief	694,903	-
Unrelieved tax losses	290,039	371,208
Amounts paid by group companies for group relief	(694,903)	-
Total current tax (note 4(a))	<u>(694,903)</u>	<u>-</u>

5 Tangible fixed assets

	Plant & Machinery; assets under construction	Plant & Machinery	Total
	£	£	£
Cost or valuation			
At 1 December 2008	37,701,490	-	37,701,490
Additions	7,615,433	-	7,615,433
Revaluation	-	4,850,000	4,850,000
Transfers	(45,316,923)	45,316,923	-
At 30 November 2009	<u>-</u>	<u>50,166,923</u>	<u>50,166,923</u>
Depreciation			
Charge for the year	-	1,664,021	1,664,021
At 30 November 2009	<u>-</u>	<u>1,664,021</u>	<u>1,664,021</u>
Net book value			
At 30 November 2009	<u>-</u>	<u>48,502,902</u>	<u>48,502,902</u>
At 30 November 2008	<u>37,701,490</u>	<u>-</u>	<u>37,701,490</u>

If certain fixed assets had not been revalued, they would have been included on the historical cost basis, at cost of £45,316,932, less depreciation of £1,502,354 and net book value of £43,814,569.

6 Debtors

	2009	2008
	£	£
Trade debtors	1,452,263	–
Amounts owed by group undertakings	797,297	1,954
VAT recoverable	–	324,064
Called up share capital not paid	–	100,000
Other debtors	3,800,743	455,488
	<u>6,050,303</u>	<u>881,506</u>

7 Creditors: amounts falling due within one year

	2009	2008
	£	£
Bank loan	3,082,073	158,607
Less deferred arrangement costs	(82,009)	(82,009)
Trade creditors	528,975	2,648,630
Amounts owed to group undertakings	1,163,210	1,150,000
Other taxation	298,676	–
Other creditors	3,269,479	1,163,503
	<u>8,260,404</u>	<u>5,038,731</u>

Included within amounts owed to group undertakings are loan notes 2025 totalling £1,150,000. The loan notes pay a rate of 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 commenced 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 company has entered into an interest rate swaption agreement in respect to £42,252,699 of its long term borrowings. At 30 November 2009, there was an unrecognised loss on this of approximately £4,531,000.

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

	2009	2008
	£	£
Bank loan	<u>3,082,073</u>	<u>158,607</u>

8 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Bank loan	48,717,471	39,493,209
Less deferred arrangement costs	<u>(1,093,454)</u>	<u>(1,148,127)</u>
	<u>47,624,017</u>	<u>38,345,082</u>

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

	2009	2008
	£	£
Bank loan	<u>48,717,471</u>	<u>39,493,209</u>

9 Creditors - bank borrowings

Creditors include borrowings which are due for repayment as follows:

	2009	2008
	£	£
Amounts repayable:		
In one year or less or on demand	3,082,073	158,607
In more than one year but not more than two years	4,527,280	2,359,283
In more than two years but not more than five years	12,778,948	10,174,656
In more than five years	31,411,243	26,959,270
	<u>51,799,544</u>	<u>39,651,816</u>

10 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2009	2008
	£	£
Profit and loss account movement arising during the year	1,361,403	-
Provision carried forward	<u>1,361,403</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009	2008
	£	£
Excess of taxation allowances over depreciation on fixed assets	2,022,650	-
Tax losses available	<u>(661,247)</u>	<u>-</u>
	<u>1,361,403</u>	<u>-</u>

11 Commitments under operating leases

At 30 November 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire:		
After more than 5 years	<u>169,000</u>	<u>169,000</u>

12 Related party transactions

Community Windpower Limited is related to Aikengall Community Wind Company Limited by common ownership. At 30 November 2009 an amount of £2,394 (2008: £1,954) was owed by Community Windpower Limited and is included within debtors. Community Windpower Limited invoices Aikengall Community Wind Company Limited in respect of rents, community benefit charges, administration charges and operational management fees during the year this totalled £214,396 (2008: £Nil). At 30 November 2009 there is £3,712 owed to Community Windpower Limited and is included in amounts due to group undertakings. In addition, Community Windpower Limited made a loan in the prior year 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 £9,498 (2008: £56,542) was charged in the year and is included within amounts due to group undertakings.

During the year, the company surrendered tax losses to Dalry Community Wind Company Limited and Community Wind Power Holdings Limited, companies related by common ownership, amounting to £691,003 and £3,899. These balances are still owed at the year end and included within debtors.

During the year, the company loaned £100,000 to Community Wind Power Limited and remains outstanding at the year end.

13 Share capital

Authorised share capital:

	2009	2008
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted and called up:

	2009		2008	
	No	£	No	£
100,000 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:

	2009	2008
	£	£
Ordinary shares	<u>-</u>	<u>100,000</u>

14 Revaluation reserve

	2009	2008
	£	£
Revaluation of fixed assets	4,850,000	-
Transfer to the Profit and Loss Account	(161,667)	-
Balance carried forward	<u>4,688,333</u>	<u>-</u>

15 Profit and loss account

	2009	2008
	£	£
Balance brought forward	(1,296,119)	(2,500)
Profit/(loss) for the financial year	3,302,807	(1,293,619)
Transfer from revaluation reserve	161,667	-
Balance carried forward	<u>2,168,355</u>	<u>(1,296,119)</u>

16 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit/(Loss) for the financial year	3,302,807	(1,293,619)
Other net recognised gains and losses	4,850,000	-
Transfer from revaluation reserve	161,667	-
Transfer to profit and loss account	(161,667)	-
Net addition/(reduction) to shareholders' (deficit)/funds	8,152,807	(1,293,619)
Opening shareholders' (deficit)/funds	(1,196,119)	97,500
Closing shareholders' funds/(deficit)	<u>6,956,688</u>	<u>(1,196,119)</u>

17 Pensions

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

18 Contingencies

The directors have confirmed that there were no contingent liabilities which should be disclosed at 30 November 2009 or 30 November 2008.

19 Capital commitments

The directors have confirmed that the company was committed to £Nil (2008: £3,269,746) of capital expenditure as at the year end, which has not been provided for in these financial statements.

20 Ultimate parent company

The immediate parent undertaking of this company is Aikengall Community Wind Company (Holdings) Limited, a company incorporated in England & Wales. The ultimate parent undertaking of this company is Community Windpower (Holdings) Limited, a company incorporated in Scotland.

Management information

The following pages do not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 5 to 6.