

Great Glen Energy Co-operative Limited
Notice of Annual General Meeting to be held on
Thursday 2nd April 2009

NOTICE is given that the Annual General Meeting of members will be held at 6:00pm on Thursday 2nd April 2009 at the Royal Highland Hotel, Station Square, Inverness IV1 1LG for the following purposes:

AGENDA

1. To receive and adopt the Report of the Directors and the annual Accounts for the year ended 31st December 2008, together with the Report of the auditors thereon.
2. To re-appoint the firm of Melville & Co, Chartered Accountants, as auditor until the conclusion of the next Annual General Meeting at a fee to be agreed by the Board.
3. To approve the distribution of the surplus funds for the year (the operating profit together with any other income) by way of Share Interest. A Share Interest Statement will be provided with each cheque payment.
4. Election of Directors: confirmation of result.
5. Any Other Business

Close of Formal Business

By order of the Board
Annette Heslop,
Company Secretary
5th March 2009

Registered Office:
Robert Owen House,
87 Bath Street
Glasgow G2 2EE

Administration Address:
Unit 33, Trinity Enterprise Centre
Furness Business Park
Barrow in Furness
Cumbria LA14 2PN
Tel: 01229 821028
info@greatglen.coop

If you are unable to attend the meeting in person a Form of Proxy is available to appoint a proxy to attend in your place or appoint the Chairman to vote on your behalf.

Please contact the administration address above to request a Form of Proxy.

GREAT GLEN ENERGY CO-OP

CHAIRMAN'S STATEMENT - Year Ending 31-12-2008

I am pleased to welcome you to the first chairman's report of the **Great Glen Energy Co-op (GGEC)**. This report covers 2008 which was the year in which the Co-op was developed and launched before buying its share in the wind farm on the 4th September 2008.

We will be holding our first AGM on 2nd April 2009, which will be a relatively simple affair as we will be covering the year in which we were formed and only the first few months of our trading activity. As such there will be ample opportunity to ask questions at the meeting.

Background

As this will be the first time we meet as a Co-op, it is probably worthwhile to remind members of the background and the progress made.

The Co-op was formed as a result of a deal between Energy4All and a wind farm developer called Falck Renewables, who wanted to offer a stake in their Scottish projects to local people. A project near Boyndie on Scotland's North East coast was the first of these projects when it was constructed in Spring 2006, a second was launched on the Isle of Skye at the beginning of 2008 and **GGEC** is now the third project developed with Falck, buying a stake in their 16-turbine Millennium project. To establish the GGEC, Energy4All recruited a representative local board, who managed the share launch and attracted 667 members of the community to invest over £1.28million. A great achievement.

Production

Since the Co-op bought its share in the wind farm in September 2008, performance has been good, however, it was not until the end of November that the wind farm was fully commissioned and the full export from the site possible. Even then, it is difficult to compare actual performance with predicted figures as any wind farm in its early stages has initial teething problems preventing full output. Our first full trading year, (and the first of our 24 year stake), started on the 1st January 2009 and it won't be until the end of this year that we really get a feel for performance. However, the last few months of 2008 have been a bonus and during the period since the Co-op purchased its share until the end of the year, the Wind Farm generated over 41,000 MWh. The average household uses about 4.7MWh of electricity each year so overall the sixteen turbines in which the Co-op has a share delivered sufficient power for over 8,700 homes.

I hope to be able to report performance for the first quarter of 2009 at our AGM, in the meantime, the Co-ops website, www.greatglen.coop, is now updated towards the end of every month with performance data from the previous month.

Overall the Nordex turbines are performing well and GGEC look forward to reporting the first full year's production figures at next year's AGM.

Financial Summary

The development phase of the Co-op has been paid for by Falck Renewables, therefore the GGEC 2008 accounts remain relatively simple. Income generating from the turbines commenced on the 4th September 2008; subject to member approval at the AGM, the first payment to members will take place mid 2009. This is ahead of the projected schedule as stated in the share offer document.

The Co-op's share of the income from the site for 2008 amounted to £42,714. After taking off our share of operating costs and administration, I am delighted to report that we made a profit for the year of £36,784. This amount is available for distribution to the members and represents 2.86% gross return on investment.

The Board and Staffing

The Board of the Co-op has to date consisted of 4 people from the south, middle and north ends of the Great Glen plus one from Energy4All, myself, to help the Co-op get established.

Under the Rules of the Co-op, one third of the directors retire each year at the AGM. If they wish, they can submit themselves for re-election in competition with any new candidates who put themselves forward. Graham Strachan will stand down under this rule and seek re-election; Jean Lafferty will stand down and is not seeking re-election. I would like to take this opportunity to thank Jean for all her outstanding support for the Co-op from the very beginning. Her loyalty and hard work has made a major contribution to the success of GGEC, and she will be greatly missed.

The Rules allow for a maximum number of seven board members. The board currently consists of five members, therefore no voting is required as Graham will automatically be re-elected and a new nominee, Kenneth Knott, will automatically take a place on the board replacing Jean. Biography's for both Graham and Kenneth can be found on page 4.

The day-to-day management of the Co-op will continue to be handled by the Energy4All office in Cumbria, under a contract with the GGEC. The office looks after the accounts, maintain the membership register and generally administer the Co-op's affairs. Members of the Energy4All team will be at the AGM and they will always be pleased to hear from members who have queries and can be contacted on 01229 821028.

GGEC Outreach Work

The local board is keen for the Co-op to pursue other local educational and environmental activities. Organised trips to the wind farm have already been arranged for a number of groups and schools and many more are planned.

The board would be keen to hear from members about the type of work it could foresee the Co-op progressing. In the initial years GGEC will benefit from financial support from Energy4All to progress its work programme, however, after a few years it is hoped this work would be sustained by the Co-op itself.

Highland Development Activity

Falck have recently submitted a planning application for an additional 6 turbines on the Millennium site and in line with their commitment to community engagement, if approved by the Scottish Executive, have offered GGEC the option to purchase a stake in these additional turbines which will be carried out through a 'members share issue'. The extension and the 'members share issue' will be explained in more detail at our AGM and further information on the application is available from Simon Green at West Coast Energy Ltd., Falck's planning consultants, tel: 01352-757604. Members are encouraged to write in support or express any views on the application directly to Highland Council. GGEC and its board have no relationship nor involvement in the planning application for this extension however we welcome the opportunity to purchase a further stake in the wind farm if approved.

Following the success of the Boyndie, Skye and Great Glen launches, Energy4All has been very active in Scotland, building on this pioneering work. Another Falck site in the north of Scotland was completed in 2008 and now has a new Co-operative to own a stake in the project. The **Kilbraur Wind Energy Co-op** on the Strath Brora wind farm near Golspie launched its share offer in late August and raised £1.044million from 516 people. Another great success.

Conclusion

I am delighted to report that the GGEC is in robust health. Its financial position should now continue to be as predicted and it has a strong membership, however, we do need to strengthen the board. The wind farm is now operating at the forecast level, and together with Boyndie and Skye continues to set an example to the rest of Scotland of how communities can own their own stake in renewable projects.

I look forward to welcoming you to the AGM on 2nd April.

Thank you for your support



Mark Jennison (Chairman) March 2009

Current Great Glen Energy Co-op Board

The Board currently comprises the following:

Mark Jennison – Chairman
Jean Lafferty
Felix Paterson
Denise Paterson
Graham Strachan

The Rules allow for a maximum number of seven Board members. Both Graham Strachan and Jean Lafferty will retire by rotation however Jean will not seek re-election. Graham is seeking re-election and the Co-op received one nomination to join the Board from Kenneth Knott. This means the Board will not reach its maximum number therefore no voting is required as both Graham and Kenneth will automatically join the Board.

Nominations to the Board Biographical Notes

Retiring/Re-elected Director

Graham Strachan - Beauly

I was invited to join the Co-op Board in January 2008 bringing over 20 years experience of rural community and economic development. Latterly I was the Highland Council Ward Manager for Loch Ness previously being Economic and Community Development Manager for the wider Inverness & Loch Ness Area. As such I was involved in negotiating several wind farm community benefit packages and also assisting many communities with local projects.

I have worked closely with the Ft Augustus community on developments relating to wind and hydro power schemes, redevelopment of the former Abbey, and other heritage and environmental schemes. I have established and chaired many community organisations and have considerable experience of project funding, development and management.

Having worked to see the co-op established I would like to take forward the opportunities offered to enable members to benefit from their investments and to support associated community developments in the Great Glen.

New Candidate

Kenneth Knott - Glenmoriston

I have lived in Fort Augustus (Glenmoriston) since 2000 with Susan and children. I have worked in the Forest Industry since leaving school covering a large range of disciplines and locations. Since taking up post in Fort Augustus I have been the District Forester for Planning and Environment covering the area from the Great Glen to and including Skye. This role has seen me involved in a range of projects of varying sizes and complexities including E.U partnership projects focused on community engagement.

A range of projects particularly relating to renewable energy have been on my agenda for the last 3 years with various community trusts and groups. Particularly in getting sites/projects to fruition from the planning and consultation stages. My interest in renewable energy and energy saving includes micro generation at the domestic scale along with technology to reduce energy requirements.

I have been actively involved with the Community Council as secretary and currently the Chair for the last 6 years, during the initial planning, consultation and negotiation for the Millennium wind farm. I am currently one of the directors of the Community Company managing the community benefit funds arising from the recent developments at Glendoe and Millennium.

I have been actively involved with the school through rugby coaching and supporting the rural skills programme.

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the period ended 31 December 2008.

Principal activities

The principal activity of the Co-operative is that of the generation of electricity through renewable sources. The company was formed on 28 April 2008 but did not generate income until September 2008.

Directors

The following directors have held office since 28 April 2008:

Mr M Jennison	(Appointed 28 April 2008)
Mrs J Lafferty	(Appointed 28 April 2008)
Mrs D Paterson	(Appointed 28 April 2008)
Mr F Paterson	(Appointed 28 April 2008)
Mr G Strachan	(Appointed 28 April 2008)

In accordance with the Co-operative's rules of Association, Mr G Strachan retires by rotation and, being eligible, offers himself for re-election. Mrs J Lafferty will retire at the annual general meeting and will not seek re-election.

Auditors

Melville & Co. were appointed auditors to the Co-operative and in accordance with section 487(2) of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

Directors' responsibilities

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

The rules of the Co-operative require the directors to prepare financial statements for each financial year. Under those rules the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 1965-1978. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the Co-operative's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Co-operative's auditors are aware of that information.

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

By order of the board



Mrs A Heslop, Secretary

2nd March 2009

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

**INDEPENDENT AUDITORS' STATEMENT
TO THE SHAREHOLDERS OF GREAT GLEN ENERGY CO-OPERATIVE LIMITED**

We have examined the summary financial statement for the period ended 31 December 2008 set out on pages 7 and 8.

Respective responsibilities of directors and the auditors

The directors are responsible for preparing the summarised financial statements in accordance with applicable United Kingdom law and guidance.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the summarised annual report with the full financial statements and the Director' Report.

We also read the other information contained in the summarised financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the company's full financial statements describes the basis of our opinion on those financial statements and the Directors' Report.

Opinion

In our opinion the summary financial statements are consistent with the full financial statements and the Directors Report of Great Glen Energy Co-operative Limited for the period ended 31 December 2008 and have been prepared in accordance with relevant guidance and regulations.

Melville & Co.
Chartered Accountants
Statutory Auditor

4th March 2009
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18 Trinity Enterprise Centre
Barrow-in-Furness
Cumbria
LA14 2PN

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

SUMMARY PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2008

	Notes	Period ended 31 December 2008 £
Turnover		42,714
Cost of sales		(8,004)
Gross profit		<u>34,710</u>
Administrative expenses	1	(11,224)
Other operating income	2	8,907
Operating profit		<u>32,393</u>
Other interest receivable and similar income	3	4,391
Profit on ordinary activities before taxation		<u>36,784</u>
Tax on profit on ordinary activities		-
Profit for the period		<u>36,784</u>
Members share interest	4	(36,784)
Retained profit for the year		<u>-</u>
Members Return on Investment		
Gross Return		2.86%

Notes

1 Administrative expenses

Includes directors remuneration and management charges.

2 Other operating income

Re-imbursable admin & management charge

3 Other interest receivable

Interest receivable from funds in Co-operative Bank accounts.

4 Members share interest

Profit available for distribution to members

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

SUMMARY BALANCE SHEET AS AT 31 DECEMBER 2008

	Notes	2008	
		£	£
Fixed Assets			
Intangible assets	1	1,288,270	
Investments	2		1
			<u>1,288,271</u>
Current assets			
Debtors	3	51,874	
Cash at bank		4,289	
		<u>56,163</u>	
Creditors: amounts falling due within one year	4	<u>(56,164)</u>	
Net current liabilities			<u>(1)</u>
Total assets less current liabilities		<u>1,288,270</u>	
Capital and reserves			
Called up share capital	5	1,288,270	
Shareholders' funds		<u>1,288,270</u>	

Notes

1 Intangible assets

Represents the royalty instrument that secures entitlement to a share of the revenues less operating costs of the Millennium Wind Farm and there is a loan note element which ensures that net revenues will not fall below a certain level. The purchase price is repayable in full at the end of the 25 year term or the commencement of decommissioning if earlier.

2 Fixed asset investment

Fixed asset investments comprise an investment of £1 for an ordinary share in Energy4All Limited.

3 Debtors

	2008
Trade debtors	27,071
Prepayments and accrued income	24,651
VAT	<u>152</u>
	51,874

4 Creditors

Trade creditors	1,469
Accruals	17,911
Members share interest	<u>36,784</u>
	56,164

5 Called up share capital

1,288,270 Ordinary Shares of £1 each issued in order to fund the acquisition of a Royalty Instrument with Loan Note element.