

Company Registration No. 2700RS (England and Wales)

GREAT GLEN ENERGY CO-OPERATIVE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2008

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

COMPANY INFORMATION

Directors	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)
Secretary	Mrs A Heslop
Company number	2700RS
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

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

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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.

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

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 all 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 of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

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Mrs A Heslop

Secretary

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GREAT GLEN ENERGY CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GREAT GLEN ENERGY CO-OPERATIVE LIMITED

We have audited the financial statements of Great Glen Energy Co-operative Limited for the period ended 31 December 2008 set out on pages 5 to 10. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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 auditors' 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968 and give a true and fair view. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Co-operative has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Directors' remuneration specified by law are not made.

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

Basis of audit 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 Co-operative's circumstances, consistently applied and adequately disclosed.

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.

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF GREAT GLEN ENERGY CO-OPERATIVE LIMITED

Opinion

In our opinion :

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities;
- the financial statements have been prepared in accordance with the Industrial and Provident Societies Act 1965, and the Friendly and Industrial Provident Societies Act 1968;
- the financial statements give a true and fair view of the state of the Co-operative's affairs at 31 December 2008 and of its profit for the period then ended and
- the information given in the directors' report is consistent with the financial statements.

Melville & Co.

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Chartered Accountants

Statutory Auditor

18 Trinity Enterprise Centre
Furness Business Park
Barrow-in-Furness
Cumbria
LA14 2PN

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

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		34,710
Administrative expenses		(11,224)
Other operating income		8,907
Operating profit	2	32,393
Other interest receivable and similar income	3	4,391
Profit on ordinary activities before taxation		36,784
Tax on profit on ordinary activities	4	-
Profit for the period		36,784
Members share interest	5	(36,784)
Retained profit for the year	10	-

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£
Fixed assets			
Intangible assets	6	1,288,270	
Investments	7	1	
			<u>1,288,271</u>
Current assets			
Debtors	8	51,874	
Cash at bank and in hand		4,289	
			<u>56,163</u>
Creditors: amounts falling due within one year	9	(56,164)	
Net current liabilities			<u>(1)</u>
Total assets less current liabilities			<u>1,288,270</u>
Capital and reserves			
Called up share capital	10	1,288,270	
Shareholders' funds			<u>1,288,270</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on

.....
Mr M Jennison
Director

.....
Mr G Strachan
Director

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2008

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 January 2007).

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 share of revenues less operational expenses net of VAT. The royalty instrument has a loan note element which ensures that net revenues will not fall below a certain level.

1.4 Royalty instrument

The Royalty Instrument represents an amount paid to secure an entitlement to a share of income less related costs from electricity and environmental attributes for a period of 25 years. The royalty instrument has 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 term so no amortisation is provided.

1.5 Investments

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

2 Operating profit	2008
	£
Operating profit is stated after charging:	
Directors' emoluments	2,012
	<u>2,012</u>

Audit costs of the co-operative were borne by Energy4All Limited and were charged within the management fee.

3 Investment income	2008
	£
Bank interest	4,391
	<u>4,391</u>

4 Taxation

No tax arises for the period because the Co-operative distributes its full taxable profit as members share interest which is deductible for corporation tax purposes.

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

5	Members share interest	2008
		£
	Members share interest	36,784

6	Intangible fixed assets	Patents
		£
	Cost	
	At 28 April 2008	-
	Additions	1,288,270
	At 31 December 2008	1,288,270
	Net book value	
	At 31 December 2008	1,288,270

The royalty instrument secures an entitlement to a share of the revenues less operating costs of the Great Glen 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.

7	Fixed asset investments	Unlisted
		investments
		£
	Cost	
	At 28 April 2008	-
	Additions	1
	At 31 December 2008	1
	Net book value	
	At 31 December 2008	1

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

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

8 Debtors	2008
	£
Trade debtors	27,071
Other debtors	24,803
	<hr/>
	51,874
	<hr/> <hr/>

9 Creditors: amounts falling due within one year	2008
	£
Trade creditors	1,469
Other creditors	54,695
	<hr/>
	56,164
	<hr/> <hr/>

10 Share capital	2008
	£
Allotted, called up and fully paid	
1,288,270 Ordinary shares of £1 each	1,288,270
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During the period the Co-operative issued 1,288,270 Ordinary Members Shares of £1 each in order to fund the acquisition of a Royalty Instrument with Loan Note element entitling it to a share of revenues from the Great Glen Wind Farm.

11 Control

There is no overall controlling party of the Co-operative and no individual shareholder owns more than £20,000 shares.

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2008

12 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. Great Glen Energy Co-operative Limited holds one share in this company and Mr M Jennison is a director of both organisations. Energy4All Limited negotiated the royalty instrument with loan note on behalf of the co-operative and arranged the share offer. The set up costs of the co-operative were borne by the wind farm developer which will also re-imburse the management fee of £8,907 charged to the co-operative by Energy4All Limited.