

Company Registration No. 2700RS (England and Wales)

GREAT GLEN ENERGY CO-OPERATIVE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

COMPANY INFORMATION

Directors

Mr M Jennison
Mrs D Paterson
Mr F Paterson
Mr G Strachan
Mr K Knott (Appointed 2 April 2009)
Mr I Whyte (Co-opted - 26 May 2009)

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 YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009.

Principal activities

The principal activity of the Co-operative is that of the generation of electricity through renewable sources.

Directors

The following directors have held office since 1 January 2009:

Mr M Jennison	
Mrs J Lafferty	(Resigned 2 April 2009)
Mrs D Paterson	
Mr F Paterson	
Mr G Strachan	
Mr K Knott	(Appointed 2 April 2009)

Mr I Whyte was co-opted on to the board on 26 May 2009 and his election to the board will be put before the annual general meeting.

In accordance with the Co-operative's rules of Association, Mr F Paterson retires by rotation and, being eligible, offers himself for re-election. Mr M Jennison will retire at the annual general meeting and will not seek re-election.

Auditors

In accordance with the co-operative's rules of association, a resolution proposing that Melville & Co. be reappointed as auditors of the company 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 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.

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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.

By order of the board

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Mrs A Heslop
Secretary

.....

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 year ended 31 December 2009 set out on pages 5 to 9. 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 April 2008).

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 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 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 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) are set out in the Statement of Directors' Responsibilities.

Our responsibility, as independent auditor, 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 United Kingdom Generally Accepted Accounting Practice and with the Industrial and Provident Societies Acts 1965 to 2002. We also report to you if, in our opinion, a satisfactory system of control over transactions has not been maintained or if proper books of account have not been kept by the Co-operative.

In addition we state if we have not received all the information and explanations we require for our audit, or if the Co-operative's balance sheet and profit and loss account are not in agreement with the books of account.

We read other information contained in the Directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 give a true and fair view of the state of the co-operative's affairs as at 31 December 2009 and of its loss for the year then ended and have been properly prepared in accordance UK Generally Accepted Accounting Practice and with the Industrial and Provident Societies Acts 1965 to 2002.

Melville & Co

Chartered Accountants

Statutory Auditor

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18 Trinity Enterprise Centre

Furness Business Park

Barrow-in-Furness

LA14 2PN

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover		126,744	42,714
Cost of sales		(25,418)	(8,004)
Gross profit		101,326	34,710
Administrative expenses		(27,218)	(11,224)
Other operating income		21,271	8,907
Operating profit	2	95,379	32,393
Other interest receivable and similar income	3	4	4,391
Profit on ordinary activities before taxation		95,383	36,784
Tax on profit on ordinary activities	4	-	-
Profit for the year		95,383	36,784
Members share interest	5	(95,383)	(36,784)
Retained profit for the year	10	-	-

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Intangible assets	6	1,288,270		1,288,270	
Investments	7		1		1
			<u>1,288,271</u>		<u>1,288,271</u>
Current assets					
Debtors	8	53,680		51,874	
Cash at bank and in hand		65,017		4,289	
		<u>118,697</u>		<u>56,163</u>	
Creditors: amounts falling due within one year	9	<u>(118,698)</u>		<u>(56,164)</u>	
Net current liabilities			<u>(1)</u>		<u>(1)</u>
Total assets less current liabilities			<u>1,288,270</u>		<u>1,288,270</u>
Capital and reserves					
Called up share capital	10	1,288,270		1,288,270	
Shareholders' funds			<u>1,288,270</u>		<u>1,288,270</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 M Jennison
Director

.....
Mr G Strachan
Director

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

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 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. Any excess of the loan note minimum payment over the share of revenues less operational expenses (if applicable) is dealt with as interest income.

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

	2009	2008
	£	£
Operating profit is stated after charging:		
Directors' emoluments	3,010	2,012
	<u>3,010</u>	<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

	2009	2008
	£	£
Bank interest	4	4,391
	<u>4</u>	<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 YEAR ENDED 31 DECEMBER 2009

5	Members share interest	2009	2008
		£	£
	Members share interest	95,383	36,784

6	Intangible fixed assets		Patents
			£
	Cost		
	At 1 January 2009 & at 31 December 2009		1,288,270
	Net book value		
	At 31 December 2009		1,288,270
	At 31 December 2008		1,288,270

The royalty instrument secures an entitlement to a share of the revenues less operating costs of the Millenium 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 1 January 2009 & at 31 December 2009		1
	Net book value		
	At 31 December 2009		1
	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 YEAR ENDED 31 DECEMBER 2009

8 Debtors	2009 £	2008 £
Trade debtors	11,330	27,071
Other debtors	42,350	24,803
	<u>53,680</u>	<u>51,874</u>

9 Creditors: amounts falling due within one year	2009 £	2008 £
Trade creditors	14,660	1,469
Taxation and social security	358	-
Other creditors	103,680	54,695
	<u>118,698</u>	<u>56,164</u>

10 Share capital	2009 £	2008 £
Allotted, called up and fully paid		
1,288,270 Ordinary shares of £1 each	<u>1,288,270</u>	<u>1,288,270</u>

11 Control

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

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. Energy4All Limited charged a management fee of £20,710 (2008 - £8,907) although this cost was re-imbursed by the wind farm developer.