

Company Registration No. 2700RS (England and Wales)

GREAT GLEN ENERGY CO-OPERATIVE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

COMPANY INFORMATION

Directors	Mr F Paterson Mr G Strachan Mr I Whyte Mr K Knott Mr G Page Miss L Lumsden
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 2011

The directors present their report and financial statements for the year ended 31 December 2011.

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 2011:

Mrs D Paterson	(Resigned 16 April 2011)
Mr F Paterson	
Mr G Strachan	
Mr I Whyte	
Mr K Knott	
Mr G Page	
Miss L Lumsden	

In accordance with the Co-operative's rules of Association, Mr G Strachan and Mr I Whyte retire by rotation and, being eligible, offer themselves for 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 1965-2002. 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.

By order of the board

.....
Mrs A Heslop

.....
Dated

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 2011 set out on pages 3 to 7. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1, 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 Ethical Standards for Auditors.

Basis of audit opinion

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Friendly and Industrial and Provident Societies Acts 1965 to 2002 require us to report to you if, in our opinion:

- proper books of account have not been kept in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been maintained by the Co-operative in accordance with the requirements of the legislation; or
- the profit and loss account to which our report relates, and the balance sheet are not in agreement with the books of account of the Co-operative ; or
- we have not received all the information and explanations we require for our audit.

.....
Melville & Co
Chartered Accountants
Statutory Auditor

.....
18 Trinity Enterprise Centre
Furness Business Park

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		245,462	116,322
Cost of sales		(52,625)	(30,082)
Gross profit		<u>192,837</u>	<u>86,240</u>
Administrative expenses		(23,876)	(27,017)
Other operating income		19,329	21,399
Operating profit	2	<u>188,290</u>	<u>80,622</u>
Other interest receivable and similar income	3	272	82
Profit on ordinary activities before taxation		<u>188,562</u>	<u>80,704</u>
Tax on profit on ordinary activities	4	-	-
Profit for the year		<u><u>188,562</u></u>	<u><u>80,704</u></u>

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	6	1,777,940		1,288,270	
Investments	7		1		1
			<u>1,777,941</u>		<u>1,288,271</u>
Current assets					
Debtors	8	107,148		54,492	
Cash at bank and in hand		112,695		47,176	
			<u>219,843</u>		<u>101,668</u>
Creditors: amounts falling due within one year	9	<u>(219,844)</u>		<u>(101,669)</u>	
Net current liabilities			<u>(1)</u>		<u>(1)</u>
Total assets less current liabilities		<u>1,777,940</u>		<u>1,288,270</u>	
Capital and reserves					
Called up share capital	10	1,777,940		1,288,270	
Shareholders' funds		<u>1,777,940</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 G Strachan
Director

.....
Miss L Lumsden
Director

GREAT GLEN ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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

	2011	2010
	£	£
Operating profit is stated after charging:		
Directors' remuneration	3,500	4,006
	<u> </u>	<u> </u>

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

3 Investment income

	2011	2010
	£	£
Bank interest	272	82
	<u> </u>	<u> </u>
	<u> </u>	<u> </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 2011

5	Members share interest	2011	2010
		£	£
	Members share interest	188,562	80,704
		<u> </u>	<u> </u>
6	Intangible fixed assets		Patents
			£
	Cost		
	At 1 January 2011		1,288,270
	Additions		489,670
			<u> </u>
	At 31 December 2011		1,777,940
			<u> </u>
	Net book value		
	At 31 December 2011		1,777,940
			<u> </u>
	At 31 December 2010		1,288,270
			<u> </u>

The royalty instrument secures an 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. Following an expansion of the wind farm the co-operative raised further capital which was applied to a supplementary royalty instrument giving an increased share of revenues of the extended wind farm over the same period as the original royalty instrument.

7	Fixed asset investments	Unlisted investments
		£
	Cost	
	At 1 January 2011 & at 31 December 2011	1
		<u> </u>
	Net book value	
	At 31 December 2011	1
		<u> </u>
	At 31 December 2010	1
		<u> </u>

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 2011

8 Debtors	2011	2010
	£	£
Trade debtors	-	10,785
Other debtors	107,148	43,707
	<u>107,148</u>	<u>54,492</u>
9 Creditors: amounts falling due within one year	2011	2010
	£	£
Trade creditors	10,269	12,120
Taxation and social security	5,894	287
Other creditors	203,681	89,262
	<u>219,844</u>	<u>101,669</u>
10 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
1,777,940 Ordinary shares of £1 each	<u>1,777,940</u>	<u>1,288,270</u>

During the year the company invited members to apply for additional shares to enable the co-operative to increase its investment in the royalty instrument (see note 6). A total of 489,670 new shares of £1 each were issued with equal rights to the existing shares and the full £489,670 was applied to the purchase of the supplementary royalty instrument.

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

Much of the administration and 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. 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 £18,209 (2010 - £19,399) although this cost was re-imbursed by the wind farm developer.