

Company Registration No. 2700RS (England and Wales)

**GREAT GLEN ENERGY CO-OPERATIVE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## COMPANY INFORMATION

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**Directors**

Mr F Paterson  
Mr I Whyte  
Mr K Knott  
Mr R Jackson  
Miss L Lumsden MBE

**Secretary**

Mrs A Heslop

**Company number**

2700RS

**Registered office**

The Co-operative Group  
Newhouse Composite Distribution Centre Floor 3  
401 Edinburgh Road  
Newhouse  
Lanarkshire  
ML1 5GH

**Auditors**

Melville & Co  
17/18 Trinity Enterprise Centre  
Furness Business Park  
BARROW-IN-FURNESS  
Cumbria  
LA14 2PN

**Bankers**

Co-operative Bank plc  
1 Balloon Street  
MANCHESTER  
M60 4EP

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# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

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# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and financial statements for the year ended 31 December 2014.

### 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 2014:

Mr F Paterson

Mr G Strachan

(Resigned 27 January 2015)

Mr I Whyte

Mr K Knott

Mr R Jackson

Miss L Lumsden MBE

In accordance with the Co-operative's rules of Association, Mr I Whyte retires by rotation and, being eligible, will offer himself for re-election at the forthcoming AGM.

### 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 Co-operative and Community Benefit Societies Act 2014. 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 MEMBERS OF GREAT GLEN ENERGY CO-OPERATIVE LIMITED**

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We have audited the financial statements of Great Glen Energy Co-operative Limited for the year ended 31 December 2014 set out on pages 4 to 8. 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 87 of the Co-operative and Community Benefit Societies Act 2014. 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 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 and express an opinion on 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.

#### **Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

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 2014 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 Co-operative and Community Benefit Societies Act 2014.

# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF GREAT GLEN ENERGY CO-OPERATIVE LIMITED

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

**Melville & Co**

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**Chartered Accountants  
Statutory Auditor**

17/18 Trinity Enterprise Centre  
Furness Business Park  
BARROW-IN-FURNESS  
Cumbria  
LA14 2PN

# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

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	Notes	2014 £	2013 £
Turnover		214,561	247,332
Cost of sales		(53,539)	(56,916)
<b>Gross profit</b>		<u>161,022</u>	<u>190,416</u>
Administrative expenses		(22,624)	(21,158)
Other operating income		17,673	16,739
<b>Operating profit</b>	<b>2</b>	<u>156,071</u>	<u>185,997</u>
Other interest receivable and similar income	<b>3</b>	402	708
<b>Profit on ordinary activities before taxation</b>		<u>156,473</u>	<u>186,705</u>
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit for the year</b>		<u><u>156,473</u></u>	<u><u>186,705</u></u>

# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

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	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	6	1,777,940		1,777,940	
Investments	7		1		1
		<u>1,777,941</u>		<u>1,777,941</u>	
<b>Current assets</b>					
Debtors	8	93,954		109,988	
Cash at bank and in hand		89,564		109,339	
		<u>183,518</u>		<u>219,327</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(183,519)</u>		<u>(219,328)</u>	
<b>Net current liabilities</b>			(1)		(1)
<b>Total assets less current liabilities</b>		<u>1,777,940</u>		<u>1,777,940</u>	
<b>Capital and reserves</b>					
Called up share capital	10	1,777,940		1,777,940	
<b>Shareholders' funds</b>		<u>1,777,940</u>		<u>1,777,940</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 I Whyte  
Director

.....  
Miss L Lumsden MBE  
Director



# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2014

### 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

2014	2013
£	£

Operating profit is stated after charging:

Directors' remuneration	3,850	3,500
	<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

2014	2013
£	£

Bank interest	402	708
	<u>          </u>	<u>          </u>
	<u>402</u>	<u>708</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

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2014

<b>5</b>	<b>Members share interest</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Members share interest	156,473	186,705
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Intangible fixed assets</b>		<b>Patents</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 January 2014 & at 31 December 2014		1,777,940
			<u>          </u>
	<b>Net book value</b>		
	At 31 December 2014		1,777,940
			<u>          </u>
	At 31 December 2013		1,777,940
			<u>          </u>
	<p>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 (4th September 2033) or the commencement of decommissioning if earlier.</p>		
<b>7</b>	<b>Fixed asset investments</b>		<b>Unlisted investments</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 January 2014 & at 31 December 2014		1
			<u>          </u>
	<b>Net book value</b>		
	At 31 December 2014		1
			<u>          </u>
	At 31 December 2013		1
			<u>          </u>
	<p>Fixed asset investments comprise an investment of £1 for an ordinary share in Energy4All Limited.</p>		
<b>8</b>	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade debtors	10,025	9,809
	Other debtors	83,929	100,179
		<u>          </u>	<u>          </u>
		93,954	109,988
		<u>          </u>	<u>          </u>

# GREAT GLEN ENERGY CO-OPERATIVE LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2014

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<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade creditors	10,025	9,831
	Taxation and social security	-	6,226
	Other creditors	173,494	203,271
		<u>183,519</u>	<u>219,328</u>
		<u><u>183,519</u></u>	<u><u>219,328</u></u>
<b>10</b>	<b>Share capital</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	1,777,940 Ordinary shares of £1 each	<u>1,777,940</u>	<u>1,777,940</u>
		<u><u>1,777,940</u></u>	<u><u>1,777,940</u></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 relationships and 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 £16,690 (2013 - £16,371) although this cost was re-imbursed by the wind farm developer.