

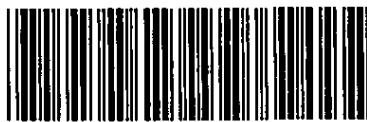
Lynch Knoll Wind Park Limited

**Director's report and financial
statements**

Registered number 03082227

Year ended 30 April 2012

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Director's report

The director presents the director's report and financial statements for the year ended 30 April 2012

Principal activities

The principal activity of the Company continued to be that of the production and supply of wind powered electricity

Business review

The performance of the Company is considered to be satisfactory

Proposed dividend

The director does not recommend the payment of a dividend (2011 £Nil)

Director

The director who held office during the year was as follows

Dale Vince

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year (2011 £Nil)

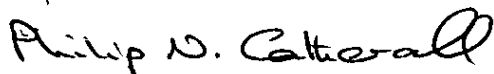
Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



Philip Catherall
Secretary

Beaumont House
172 Southgate Street
Gloucester
Gloucestershire
GL1 2EZ

22-10-2012

Statement of director's responsibilities in respect of the Director's Report and the financial statements

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Lynch Knoll Wind Park Limited

We have audited the financial statements of Lynch Knoll Wind Park Limited for the year ended 30 April 2012 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 2, the director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 April 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Lynch Knoll Wind Park Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



J Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
United Kingdom
BS1 6AG

24 October 2012

Profit and Loss Account
for the year ended 30 April 2012

	<i>Note</i>	2012 £	2011 £
Turnover	<i>1</i>	79,888	57,221
Gross profit		79,888	57,221
Administrative expenses		(78,344)	(64,771)
Operating profit/(loss)		1,544	(7,550)
Profit/(loss) on ordinary activities before taxation	<i>2-4</i>	1,544	(7,550)
Tax on profit/(loss) on ordinary activities	<i>5</i>	3,325	(13,340)
Profit/(loss) for the financial year	<i>11</i>	4,869	(20,890)

The results are all derived from continuing operations. There are no recognised gains and losses for the year other than those recorded in the profit and loss account.

Balance Sheet
at 30 April 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	6		229,095		328,660
Current assets					
Debtors	7	21,852		23,312	
Cash at bank and in hand		70,839		53,367	
		<u>92,691</u>		<u>76,679</u>	
Creditors amounts falling due within one year	8	(9,717)		(27,679)	
Net current assets			<u>82,974</u>		<u>49,000</u>
Total assets less current liabilities			<u>312,069</u>		<u>377,660</u>
Provisions for liabilities	9		(13,701)		(17,026)
Net assets			<u>298,368</u>		<u>360,634</u>
Capital and reserves					
Called up share capital	10		2		2
Revaluation reserve	11		-		75,973
Profit and loss account	11		298,366		284,659
Shareholders' funds	11		<u>298,368</u>		<u>360,634</u>

These financial statements were approved by the director on 22.10.2012 and were signed by

Dale Vince
 Director

Registered number 03082227

Note of Historical Cost Profits and Losses
for the year ended 30 April 2012

	2012 £	2011 £
Reported profit/(loss) on ordinary activities before taxation	1,544	(7,550)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	8,838	11,513
Historical cost profit on ordinary activities before taxation	10,382	3,963
Historical cost profit/(loss) for the year retained after taxation and dividends	13,707	(9,377)

Notes to the financial statements *(forming part of the financial statements)*

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of plant and machinery

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of the Group headed by Ecotricity Group Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Ecotricity Group Limited, within which this Company is included, can be obtained from the address given in note 12

Tangible fixed assets and depreciation

The Company follows a policy of revaluation for its power generating assets. On an annual basis management assess whether there are any material changes in value since the last valuation

Depreciation is provided to write off the revalued amount less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold land – not depreciated

Plant and machinery - 24 years, with estimated residual value being ¼ of the revalued amount

Turnover

Turnover represents the value of electricity generated during the year and is recognised when supplied

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19

Notes (continued)

2 Notes to the profit and loss account

	2012 £	2011 £
<i>Profit/(loss) on ordinary activities before taxation is stated after charging</i>		
Depreciation of owned tangible fixed assets	19,286	21,961
Impairment of tangible assets	13,144	-
Auditor's remuneration for the audit of these financial statements	1,082	1,044

Amounts receivable by the Company's auditor and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent Ecotricity Group Limited

3 Remuneration of director

The director's remuneration is borne by a fellow Group Company in both years

4 Staff numbers and costs

The Company had no employees in either year

5 Taxation

Analysis of (credit)/charge in period

	2012 £	2011 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Effect of change in tax rate	(1,310)	-
Origination/reversal of timing differences	(2,015)	2,800
Adjustment in respect of previous years	-	10,540
Total deferred tax (note 9)	(3,325)	13,340
Tax (credit)/charge on profit on ordinary activities	(3,325)	13,340

Notes (continued)

5 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax credit for the period is lower (2011: higher) than the average standard rate of corporation tax in the UK for the year. The differences are explained below:

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	1,544	(7,550)
	<hr/>	<hr/>
Current tax at 25.84% (2011: 27.8%)	399	(2,099)
<i>Effects of</i>		
Expenses not deductible for tax purposes	5,749	8,154
Depreciation for period in excess of capital allowances	2,169	629
Group relief claimed	(8,317)	(6,684)
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

6 Tangible fixed assets

	Freehold land £	Plant and machinery £	Total £
<i>Valuation</i>			
At beginning of year	80,079	400,176	480,255
Revaluations	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	80,079	400,176	480,225
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	-	151,595	151,595
Charge for year	-	19,286	19,286
Impairment	-	80,279	80,279
	<hr/>	<hr/>	<hr/>
At end of year	-	251,160	251,160
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 April 2012	80,079	149,016	229,095
	<hr/>	<hr/>	<hr/>
At 30 April 2011	80,079	248,581	328,660
	<hr/>	<hr/>	<hr/>

Notes (continued)

6 Tangible fixed assets (continued)

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS 15 *Tangible fixed assets*

Plant and machinery

	2012 £	2011 £
At valuation	400,176	400,176
Aggregate depreciation thereon	(251,160)	(151,595)
Net book value	<u>149,016</u>	<u>248,581</u>
Historical cost of revalued assets	334,331	334,331
Aggregate depreciation thereon	(172,171)	(161,723)
Historical cost net book value	<u>162,160</u>	<u>172,608</u>

An internal valuation was performed as at 30 April 2012 and resulted in an impairment of £80,279 (2011: £73,978). The impairment review was based on a value in use calculation including management's best estimate of future revenue and costs and expected future power generation based on historic performance.

7 Debtors

	2012 £	2011 £
Trade debtors	-	10,033
Prepayments and accrued income	14,146	13,279
Amounts owed by Group undertakings	7,647	-
VAT receivable	59	-
	<u>21,852</u>	<u>23,312</u>

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	300	300
Amounts owed to Group undertakings	1,708	17,707
Taxation and social security	-	2,098
Accruals and deferred income	7,709	7,574
	<u>9,717</u>	<u>27,679</u>

Notes (continued)

9 Deferred taxation

	Deferred taxation £
At beginning of year	17 026
Credit to the profit and loss for the year (note 5)	(3 325)
At end of year	13,701

The elements of deferred taxation are as follows

	2012 £	2011 £
Difference between accumulated depreciation and capital allowances	13,701	17 026

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 30 April 2012 (which has been calculated based on the rate of 24% substantively enacted at the balance sheet date) by £571.

It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

10 Called up share capital

	2012 £	2011 £
<i>Authorised</i>		
500 000 ordinary shares of £1 each	500,000	500 000
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

Notes (continued)

11 Reconciliation of movements in shareholders' funds

	Share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
At beginning of year	2	75 973	284 659	360 634
Profit for the year	-	-	4 869	4 869
Revaluation in year	-	-	-	-
Transfer from revaluation reserve	-	(8 838)	8 838	-
Impairment loss	-	(67 135)	-	(67 135)
At end of year	2	-	298,366	298,368

12 Immediate and ultimate parent undertakings

The Company's ultimate parent undertaking is Ecotricity Group Limited, a Company incorporated in England and Wales

The immediate parent undertaking is Next Generation Wind Holdings Limited, a Company incorporated in England and Wales

The largest Group in which the results of the Company are consolidated is that headed by Ecotricity Group Limited. No other Group financial statements include the results of the Company. The consolidated financial statements of this Group may be obtained from Unicorn House, 7 Russell Street, Stroud, Gloucestershire, GL5 3AX.