

Lynch Knoll Wind Park Limited

**Director's report and financial
statements**

Registered number 03082227

Year ended 30 April 2010

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Director's report

The director presents the director's report and financial statements for the year ended 30 April 2010

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 (2009 £Nil)

Director's report *(continued)*

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 (2009 £Nil)

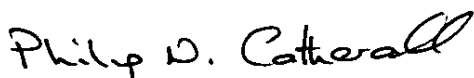
Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

During the year, Griffiths Marshall resigned as auditors and KPMG LLP were appointed to fill the casual vacancy arising. In accordance with Section 487 of the Companies Act 2006, the auditors 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

1 - 11 - 2010

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 auditors' 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 2010 set out on pages 6 to 14. 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 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 directors and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, 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 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/UKNP.

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 2010 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 auditors' 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



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

1 November 2010

Profit and Loss Account
for the year ended 30 April 2010

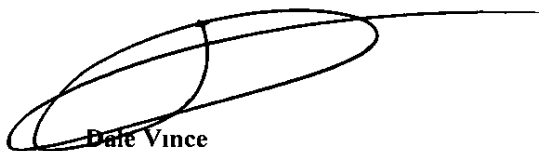
	<i>Note</i>	2010 £	2009 £
Turnover	<i>1</i>	88,072	87,820
Gross profit		88,072	87,820
Administrative expenses		(64,475)	(67,845)
Operating profit	<i>2</i>	23,597	19,975
Other interest receivable and similar income	<i>5</i>	-	953
Profit on ordinary activities before taxation	<i>2-4</i>	23,597	20,928
Tax on profit on ordinary activities	<i>6</i>	4,022	3,966
Profit for the financial year	<i>12</i>	27,619	24,894

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 2010

	<i>Note</i>	2010 £	£	2009	£
Fixed assets					
Tangible assets	7		424,599		446,559
Current assets					
Debtors	8	29,375		116,249	
Cash at bank and in hand		18,408		16,796	
		<u>47,783</u>		<u>133,045</u>	
Creditors amounts falling due within one year	9	<u>(13,194)</u>		<u>(144,013)</u>	
Net current assets/(liabilities)			34,589		(10,968)
Total assets less current liabilities			459,188		435,591
Provisions for liabilities	10		<u>(3,686)</u>		<u>(7,708)</u>
Net assets			<u>455,502</u>		<u>427,883</u>
Capital and reserves					
Called up share capital	11		2		2
Revaluation reserve	12		161,464		211,657
Profit and loss account	12		294,036		216,224
Shareholders' funds	12		<u>455,502</u>		<u>427,883</u>

These financial statements were approved by the director on 1 - 11 - 2010 and were signed by


Dale Vince
Director

Note of Historical Cost Profits and Losses
for the year ended 30 April 2010

	2010 £	2009 £
Reported profit on ordinary activities before taxation	23,597	20,928
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	50,193	-
Historical cost profit on ordinary activities before taxation	73,790	20,928
Historical cost profit for the year retained after taxation and dividends	77,812	24,894

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 13

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

2 Notes to the profit and loss account

	2010 £	2009 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation of owned tangible fixed assets	<u>21,960</u>	<u>16,848</u>

Notes (continued)

2 Notes to the profit and loss account (continued)

Auditors' remuneration

	2010 £	2009 £
Audit of these financial statements	1,000	-
Current auditors	-	400
Previous auditors	-	-

Amounts receivable by the Company's auditors 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 has no employees in either year

5 Other interest receivable and similar income

	2010 £	2009 £
Bank interest	-	953

6 Taxation

Analysis of charge in period

	2010 £	2009 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
<i>Deferred tax (see note 10)</i>		
Origination/reversal of timing differences	(4,022)	(3,966)
Adjustment in respect of previous years	-	-
Total deferred tax	(4,022)	(3,966)
Tax credit on profit on ordinary activities	(4,022)	(3,966)

Notes (continued)

6 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax credit for the period is lower (2009 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	23,597	20,928
Current tax at 21% (2009 21%)	4,955	4,395
<i>Effects of</i>		
Capital allowances for period in excess of depreciation	4,022	3,966
Group relief claimed before payment	(8,977)	(8,361)
Total current tax charge (see above)	-	-

7 Tangible fixed assets

	Freehold land £	Plant and machinery £	Total £
<i>Valuation</i>			
At beginning and end of year	80,079	400,176	480,255
<i>Depreciation</i>			
At beginning of year	-	33,696	33,696
Charge for year	-	21,960	21,960
At end of year	-	55,656	55,656
<i>Net book value</i>			
At 30 April 2010	80,079	344,520	424,599
At 30 April 2009	80,079	366,480	446,559

Notes (continued)

7 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

	2010 £	2009 £
At full valuation as at 30 April 2008	400,176	400,176
Aggregate depreciation thereon	(55,656)	(33,696)
Net book value	<u>344,520</u>	<u>366,480</u>
Historical cost of revalued assets	334,331	334,331
Aggregate depreciation thereon	(151,275)	(146,045)
Historical cost net book value	<u>183,056</u>	<u>188,286</u>

The last full valuation was performed during the year ended 30 April 2008 by an external consultant

The director is not aware of any material change in value since the last valuation

8 Debtors

	2010 £	2009 £
Amounts owed by Group undertakings	-	88,610
Trade debtors	16,065	17,090
Prepayments and accrued income	13,310	10,549
	<u>29,375</u>	<u>116,249</u>

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	2,499	443
Amounts owed to Group undertakings	-	134,354
Taxation and social security	3,264	2,504
Accruals and deferred income	7,431	6,712
	<u>13,194</u>	<u>144,013</u>

Notes (continued)

10 Deferred taxation

	Deferred taxation £
At beginning of year	7,708
Credit to the profit and loss for the year (note 6)	(4,022)
At end of year	3,686

The elements of deferred taxation are as follows

	2010 £	2009 £
Difference between accumulated depreciation and capital allowances	3,686	7,708

11 Called up share capital

	2010 £	2009 £
<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

12 Reconciliation of movements in shareholders' funds

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At beginning of year	2	211,657	216,224	427,883
Profit for the year	-	-	27,619	27,619
Transfer from revaluation reserve during the year	-	(50,193)	50,193	-
At end of year	2	161,464	294,036	455,502

The amount transferred between from the revaluation reserve and the profit and loss account in the year represents the cumulative difference between the revalued depreciation charge and the historical depreciation charge. The company will transfer appropriate amounts each year in future periods.

Notes *(continued)*

13 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 Axiom House, Station Road, Stroud, Gloucestershire GL5 3AP.