

Company Registration No. 4956455 (England and Wales)

**SCOUT MOOR WIND FARM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2010**

TUESDAY



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# SCOUT MOOR WIND FARM LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Stephen Klein Robert de Laszlo Emma Tinker Steven Underwood A C A
<b>Secretary</b>	Neil Lees A C I S
<b>Company number</b>	4956455
<b>Registered office</b>	Peel Dome The Trafford Centre Manchester M17 8PL
<b>Auditors</b>	Deloitte LLP Chartered Accountants and Statutory Auditors Manchester United Kingdom
<b>Bankers</b>	Barclays Bank plc
<b>Valuers</b>	JWH Ross & Co Ltd

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# SCOUT MOOR WIND FARM LIMITED

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# **SCOUT MOOR WIND FARM LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2010**

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The directors present their annual report and audited financial statements for the year ended 31 March 2010

#### **Principal activities and review of the business**

The principal activity of the company is to operate Scout Moor Wind Farm

On 29 January 2010, as part of a group restructuring, 50% of the share capital of Peel Holdings (Wind Power) Limited, of which the company is a wholly owned subsidiary, was sold to Scout Moor Acquisitions Limited, a company owned by HgCapital. On 11 February 2010, by special resolution duly passed, Peel Holdings (Wind Power) Limited changed its name to Scout Moor Group Limited.

Electricity income generated by the wind turbines at Scout Moor Wind Farm was £13.95 million (2009: £7.05 million). Profit before tax for the year to 31 March 2010 was £2.53 million, a decrease of £2.09 million compared with the prior year (2009: £4.62 million). Average wind speed for the 12 months to 31 March 2010 was 7.18 m/s (3 months to 31 March 2009 when the wind farm was operational: 8.4 m/s). Future income is dependent upon output of electricity. Management monitor and seek to maximise the key performance indicators of turbine availability and site availability.

The directors believe that the financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. In the event that additional funds are needed to support the company, subject to the project being commercial on a long term basis, the directors would seek to procure and are confident that they would be able to secure any necessary funding from the parent companies. The directors have considered a period of twelve months from the date of approval of the financial statements considering all reasonable fluctuations in the forecast assumptions and currently forecast that the company is commercial on a long term basis.

#### **Risks and uncertainties**

The principal aim of the company is to maximise long term results whilst minimising risks. Responsibility for the management of each key risk is clearly identified and delegated by the directors to specific senior staff within the company. The directors consider the following to be the major risks affecting the company:

- economic cycles, including contracts with customers,
- availability of finance,
- interest rates,
- wind resource,
- electricity prices, and
- ability to provide electricity generation services

#### **Results and dividends**

The results for the year are set out on page 6.

No dividend has been paid for the year (2009: £nil).

# **SCOUT MOOR WIND FARM LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 MARCH 2010***

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#### **Directors**

Except where stated, the following directors have held office since 1 April 2009

John Whittaker	(Resigned 29 January 2010)
Andrew Simpson	(Resigned 9 October 2009)
Paul Wainscott A C I S	(Resigned 29 January 2010)
Steven Underwood A C A	(Resigned 29 January 2010)
Neil Lees A C I S	(Resigned 29 January 2010)
Richard Michaelson	(Resigned 30 July 2010)
Stephen Klein	(Appointed 29 January 2010)
Robert de Laszlo	(Appointed 29 January 2010)
Emma Tinker	(Appointed 29 January 2010)
Steven Underwood A C A	(Appointed 30 July 2010)

#### **Auditors**

A resolution to re-appoint the auditors, Deloitte LLP, will be submitted to the Annual General Meeting

# SCOUT MOOR WIND FARM LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2010**

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### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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). Under company law the directors must not approve the financial statements unless they are 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 directors are 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditor


Each of the persons who is a director at the date of approval of this report confirms that

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the board



Steven Underwood A C A  
Director

# **SCOUT MOOR WIND FARM LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SCOUT MOOR WIND FARM LIMITED**

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We have audited the financial statements of Scout Moor Wind Farm Limited for the year ended 31 March 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 the directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 (APB'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 company'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.

# SCOUT MOOR WIND FARM LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF SCOUT MOOR WIND FARM LIMITED

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#### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

#### 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Alan Fendall (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP

30 September 2010

Chartered Accountants and Statutory Auditors  
Manchester  
United Kingdom



# SCOUT MOOR WIND FARM LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £'000	2009 £'000
Turnover	2	13,951	7,046
Direct costs		(6,675)	(1,854)
Operating profit	3	7,276	5,192
Interest receivable and similar income	4	6	206
Interest payable and similar charges	5	(4,749)	(776)
Profit on ordinary activities before taxation		2,533	4,622
Tax on profit on ordinary activities	6	(76)	(1,307)
Profit for the year	13	2,457	3,315

All of the above results derive from continuing activities

There is no material difference between the results as reported and on a historical cost basis

# SCOUT MOOR WIND FARM LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £'000	2009 £'000
<b>Profit for the financial year</b>		2,457	3,315
Unrealised (deficit)/surplus on revaluation of operational assets	7	(4,364)	10,000
<b>Total recognised gains and losses relating to the year</b>		<u>(1,907)</u>	<u>13,315</u>

### Note of historical cost profits and losses

	2010 £'000	2009 £'000
<b>Reported profit on ordinary activities before taxation</b>	2,533	4,622
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	1,816	(267)
<b>Historical cost profit on ordinary activities before taxation</b>	<u>4,349</u>	<u>4,355</u>
<b>Historical cost profit for the year retained after taxation, extraordinary items and dividends</b>	<u>4,273</u>	<u>3,048</u>

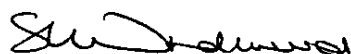
# SCOUT MOOR WIND FARM LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	7	110,000	117,000
<b>Current assets</b>			
Debtors	8	4,689	6,011
Cash at bank and in hand		7,982	2,585
		12,671	8,596
<b>Creditors. amounts falling due within one year</b>	9	(21,721)	(22,760)
<b>Net current liabilities</b>		(9,050)	(14,164)
<b>Total assets less current liabilities</b>		100,950	102,836
<b>Creditors: amounts falling due after more than one year</b>	10	(48,641)	(48,789)
<b>Provisions for liabilities</b>	11	(1,410)	(1,241)
<b>Net assets</b>		50,899	52,806
<b>Capital and reserves</b>			
Called up share capital	12	1,400	1,400
Revaluation reserve	13	44,058	48,422
Profit and loss account	13	5,441	2,984
<b>Shareholders' funds</b>	14	50,899	52,806

The financial statements of Scout Moor Wind Farm Limited, registered number 4956455, were approved by the board of directors and authorised for issue on 30 September 2010



Steven Underwood A C A  
Director

# **SCOUT MOOR WIND FARM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010**

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### **1 Accounting policies**

#### **1.1 Accounting convention and basis of preparation**

The financial statements are prepared under the historical cost convention modified to include the revaluation of operational fixed assets

The directors believe that the financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. In the event that additional funds are needed to support the company, subject to the project being commercial on a long term basis, the directors would seek to procure and are confident that they would be able to secure any necessary funding from the parent companies. The directors have considered a period of twelve months from the date of approval of the financial statements considering all reasonable fluctuations in the forecast assumptions and currently forecast that the company is commercial on a long term basis.

As permitted by Financial Reporting Standard No 1 (revised) "Cash Flow Statements", the company has not prepared a cash flow statement as the company is a wholly owned subsidiary undertaking of Scout Moor Group Limited. Scout Moor Group Limited is a company incorporated and registered in England and Wales which produces group financial statements in accordance with the Companies Act 2006, which include a consolidated group cash flow statement.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Law and Accounting Standards, which have been applied consistently throughout the year and preceeding year.

#### **1.3 Turnover**

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom. Turnover is recognised on supply of electricity generated by the wind farm.

# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 1 Accounting policies

(continued)

#### 1.4 Tangible fixed assets and depreciation

Land, buildings and wind turbines held for use in the production or supply of goods or services, are stated in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the unrealised revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously charged to the profit and loss account, in which case the increase is credited to the profit and loss account to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such land and buildings is charged to the profit and loss account to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued wind turbines is charged to the profit and loss account over 25 years. This is a change in accounting policy compared with the prior year where depreciation was charged over 16 years. The resulting adjustment to the valuation of fixed assets has been accounted for as a revaluation. On the subsequent disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to the profit and loss reserve. No depreciation is charged on assets under the course of construction.

#### 1.5 Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured on a non-discounted basis.

#### 1.6 Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes. The interest is accounted for on an accruals basis.

#### 1.7 Interest

Interest directly attributable to assets in the course of development and other fixed assets is included in the cost thereof. Interest is calculated on a simple interest basis without allowing for any tax relief thereon.

# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 1 Accounting policies (continued)

#### 1.8 Related party disclosures

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Scout Moor Group Limited group of companies

#### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2010 £'000	2009 £'000
Operating profit is stated after charging		
Depreciation of tangible assets	4,670	748
Fees payable to the company's auditor for the audit of the company's annual accounts	10	-

The auditors' remuneration of £1,000 for audit work was borne by another group company for the prior year. No remuneration was paid in respect of non-audit services in the year or the prior year.

4 Interest receivable and similar income	2010 £'000	2009 £'000
Amounts from group undertakings	-	97
Bank interest	6	15
Other interest	-	94
	6	206

5 Interest payable and similar charges	2010 £'000	2009 £'000
On amounts payable to group companies	1,001	-
On loans repayable after five years	3,733	3,289
Other interest	15	-
	4,749	3,289
Less interest capitalised	-	(2,513)
	4,749	776

# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

6	Taxation	Note	2010 £'000	2009 £'000
	<b>UK corporation tax</b>			
	Adjustment for prior years		(66)	-
	Group relief received		(27)	66
	<b>Current tax (credit)/charge</b>		<b>(93)</b>	<b>66</b>
	<b>Deferred tax</b>			
	Origination and reversal of timing differences		169	-
	Deferred tax adjustments arising in previous periods	11	-	1,241
			169	1,241
	<b>Tax charge for the year</b>		<b>76</b>	<b>1,307</b>
	<b>Factors affecting the current tax (credit)/charge for the year</b>			
	Profit on ordinary activities before taxation		2,533	4,622
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009-28.00%)		709	1,294
	<b>Effects of</b>			
	(Non-taxable income)/non-deductible expenses		(107)	108
	Capital allowances in excess of depreciation		(915)	(131)
	Adjustments to previous periods		(66)	-
	Movement in short term timing differences		-	(704)
	Tax losses carried forward		286	(501)
			(802)	(1,228)
	<b>Current tax (credit)/charge</b>		<b>(93)</b>	<b>66</b>

# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 7 Tangible fixed assets

	Wind farm £'000
<b>Cost or valuation</b>	
At 1 April 2009	117,748
Additions	2,034
Revaluation	(4,364)
	<hr/>
At 31 March 2010	115,418
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<b>Depreciation</b>	
At 1 April 2009	748
Charge for the year	4,670
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At 31 March 2010	5,418
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<b>Net book value</b>	
At 31 March 2010	110,000
	<hr/>
At 31 March 2009	117,000
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A professional valuation was carried out at 31 March 2010 by JWH Ross & Co Ltd, Property Consultants and Surveyors, on the basis of open market value on the operational fixed asset which the directors believe is equivalent to the current replacement cost

The historical cost of the asset at 31 March 2010 is £71.36 million (2009 £69.33 million) No deferred tax has been provided on the revaluation of the wind farm

Capitalised interest of £4.25 million (2009 £4.25 million) is included in the net book value

8 Debtors	2010 £'000	2009 £'000
Trade debtors	-	1,141
Amounts owed by parent and fellow associated undertakings	28	1,096
Other debtors	65	65
Prepaid development costs	-	3
Prepayments and accrued income	4,596	3,706
	<hr/>	<hr/>
	4,689	6,011
	<hr/>	<hr/>



# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

<b>9 Creditors: amounts falling due within one year</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
Bank loans and overdrafts	8,021	8,348
Trade creditors	16	405
Amounts owed to parent and fellow associated undertakings	11,533	5,814
Other creditors	2	-
Accruals and deferred income	2,149	8,193
	<u>21,721</u>	<u>22,760</u>
<b>10 Creditors amounts falling due after more than one year</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
Bank loans	<u>48,641</u>	<u>48,789</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	-	23,729
Wholly repayable within five years	<u>48,641</u>	<u>25,060</u>
	<u>48,641</u>	<u>48,789</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	5,702	8,039
In more than two years but not more than five years	42,939	17,021
In more than five years	-	23,729

The bank loans are secured by a legal charge on Scout Moor Wind Farm and bear interest at LIBOR plus an applicable margin

The company has an interest rate swap contract of £64.4 million at the rate of 5.13%, the agreement matures 31 December 2022. The fair value of the company's interest rate swap at 31 March 2010 was a liability of £5.52 million (2009: £5.88 million)

# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

### 11 Provisions for liabilities

	Deferred tax liability £'000
Balance at 1 April 2009	1,241
Profit and loss account	169
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Balance at 31 March 2010	1,410
	<hr/>

The deferred tax liability is made up as follows:

	2010 £'000	2009 £'000
Capital allowances in excess of depreciation	1,035	1,241
Trading losses	(734)	-
Capitalised interest	1,109	-
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	1,410	1,241
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### 12 Share capital

	2010 £'000	2009 £'000
Allotted, called up and fully paid		
1,400,002 Ordinary shares of £1 each	1,400	1,400
	<hr/>	<hr/>

### 13 Statement of movements on reserves

	Revaluation reserve £'000	Profit and loss account £'000
Balance at 1 April 2009	48,422	2,984
Profit for the year	-	2,457
Revaluation during the year	(4,364)	-
	<hr/>	<hr/>
Balance at 31 March 2010	44,058	5,441
	<hr/>	<hr/>

# SCOUT MOOR WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2010

14 Reconciliation of movements in shareholders' funds	2010 £'000	2009 £'000
Profit for the financial year	2,457	3,315
Other recognised gains and losses	(4,364)	10,000
Prior year adjustment	-	25
Net (depletion in)/addition to shareholders' funds	(1,907)	13,339
Opening shareholders' funds	52,806	39,466
Closing shareholders' funds	50,899	52,806

### 15 Employees

There were no employees during the year or the prior year apart from the directors

No director received any remuneration for their services to the company (2009 £nil)

### 16 Control

The company is a wholly owned subsidiary of Scout Moor Group Limited, whose share capital is owned equally under a joint venture agreement between Peel Holdings Wind Power (IOM) Limited and Scout Moor Acquisitions Limited. Scout Moor Acquisitions Limited is 100% owned by HgCapital.

The largest and smallest group of companies, of which the company is a member, that produces consolidated accounts is Scout Moor Group Limited, a company incorporated in England. Its group accounts are available from the Company Secretary, Peel Dome, The Trafford Centre, Manchester, M17 8PL.

### 17 Related party transactions

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No. 8 "Related party disclosures" and has not disclosed details of transactions with fellow wholly owned undertakings within the Scout Moor Group Limited group of companies.

During the year, management fees totalling £75,000 were charged to the company by Peel Holdings Limited, a wholly owned subsidiary of the Tokenhouse Holdings Limited group of companies. At the year end, £75,000 was payable to Peel Holdings Limited. There were no transactions during the year with related parties in the HgCapital group of companies.