

Registered number 02549857

Good Energy Generation Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2009

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Good Energy Generation Limited

For the Year Ended 31 December 2009

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Good Energy Generation Limited

Company information

For the Year Ended 31 December 2009

Directors

John Sellers
Juliet Davenport
John Fairchild (appointed 10/02/10, resigned 11/03/10)

Secretary

Jon Fairchild (resigned 11/03/10)
Mark Hopkins (appointed 11/03/10)

Company Number

02549857

Registered Office & Principal place of business

Monkton Reach
Monkton Hill
Chippenham
Wiltshire
SN15 1EE

Auditors

Calder & Co
Statutory Auditor and Chartered Accountants
1 Regent Street
London
SW1Y 4NW

Good Energy Generation Limited

Reporting by Directors

31 December 2009

The directors present their Annual Report and the financial statements for the year ended 31 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

UK Company law requires the directors to prepare Company Financial Statements for each financial year. Under that law the Directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The Company financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Company, the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company. In preparing the Company financial statements, the directors are required to

- a. select suitable accounting policies and then apply them consistently,
- b. make judgements and estimates that are reasonable and prudent,
- c. state whether they have been prepared in accordance with IFRSs adopted by the EU, and
- d. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RISK MANAGEMENT

The risk management objectives of the Company are set out in note 1d.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,440 (2008 - £176,854). The directors do not recommend the payment of a final dividend.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was that of an intermediary holding company.

The principal activity of the Company's wholly owned subsidiary Windelectric Limited was that of the generation of electrical power by wind turbine machinery.

Good Energy Generation Limited

Reporting by Directors

31 December 2009

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The results for the year and financial position of the Company are as shown in the following financial statements

The Company will continue to act as an intermediary holding company

DIRECTORS

The directors who served during the year were

John Sellers

Juliet Davenport

Jon Fairchild (appointed 10/02/10, resigned 11/03/10)

AUDITORS

The auditors, Calder & Co, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the forthcoming Annual General Meeting

This report was approved by the board on 21 April 2010 and signed on its behalf

A handwritten signature in black ink, appearing to be 'JS' followed by a horizontal line.

John Sellers
Director

Good Energy Generation Limited

Independent Auditor's Report to the Shareholders of Good Energy Generation Limited

We have audited the accompanying financial statements of Good Energy Generation Limited for the year ended 31 December 2009, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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 Directors' Responsibilities Statement set out in the Directors' Report, 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.

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.

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 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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
- the Company's 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.



Tony Badiani
Senior Statutory Auditor

For and on behalf of
Calder & Co
Statutory Auditor and Chartered Accountant
1 Regent Street
London
SW1Y 4NW

21 April 2010

Good Energy Generation Limited

Statement of Comprehensive Income

For the Year Ended 31 December 2009

		2009	2008
	Note	£	£
Administrative expenses		8,183	9,643
Operating loss		(8,183)	(9,643)
Finance income	3	15,000	200,000
Finance costs	4	(5,377)	(13,503)
Profit before tax		1,440	176,854
Taxation	5	-	-
Total comprehensive income for the year attributable to owners of the company		1,440	176,854

All amounts relate to continuing operations

The accompanying notes form part of the financial statements

Good Energy Generation Limited

Statement of Financial Position

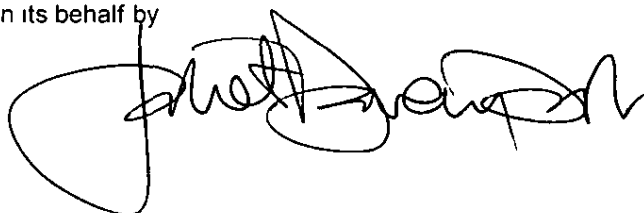
As at 31 December 2009

Registered Number. 02549857

	Note	2009 £	2008 £
ASSETS			
Non-current assets			
Other investments	6	250,256	250,256
Total non-current assets		250,256	250,256
Current assets			
Cash and cash equivalents		219	315
Total current assets		219	315
TOTAL ASSETS		250,475	250,571
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Called up share capital	7	147	147
Retained earnings		10,758	9,318
TOTAL EQUITY		10,905	9,465
Liabilities			
Non-current liabilities			
Other financial liabilities	8	158,107	165,870
Total non-current liabilities		158,107	165,870
Current liabilities			
Trade and other payables	9	81,463	75,236
Total current liabilities		81,463	75,236
TOTAL LIABILITIES		239,570	241,106
TOTAL EQUITY AND LIABILITIES		250,475	250,571

The financial statements were approved by the Board of Directors and authorised for issue on 21 April 2010 and were signed on its behalf by

Juliet Davenport
Director



The accompanying notes form part of the financial statements

Good Energy Generation Limited

Statement of Changes in Equity

For the Year Ended 31 December 2009

2009

	Share capital £	Retained earnings £	Total £
Equity as at 1 January 2009	147	9,318	9,465
Changes			
Total comprehensive income for the year	-	1,440	1,440
Changes total	-	1,440	1,440
Equity as at 31 December 2009	147	10,758	10,905

2008

	Share capital £	Retained earnings £	Total £
Equity as at 1 January 2008	147	7,464	7,611
Changes			
Total comprehensive income for the year	-	176,854	176,854
Payment of dividends	-	(175,000)	(175,000)
Changes total	-	1,854	1,854
Equity as at 31 December 2008	147	9,318	9,465

The accompanying notes form part of the financial statements

Good Energy Generation Limited

Statement of Cash Flows

For the Year Ended 31 December 2009

	2009 £	2008 £
Cash flows from operating activities		
Operating cashflow (note 11)	(9,719)	(11,749)
Finance costs	(5,377)	(13,503)
Net cash flows used in operating activities	<u>(15,096)</u>	<u>(25,252)</u>
Cash flows from investing activities		
Proceeds from dividends	15,000	200,000
Net cash flows from investing activities	<u>15,000</u>	<u>200,000</u>
Cash flows from financing activities		
Dividends paid	-	(175,000)
Net cash flows used in financing activities	<u>-</u>	<u>(175,000)</u>
Net cash decreases in cash and cash equivalents	(96)	(252)
Cash and cash equivalents at beginning of year	315	567
Cash and cash equivalents at end of year	<u>219</u>	<u>315</u>

The accompanying notes form part of the financial statements

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Accounting policies

a General information

Good Energy Generation Limited is a private limited company incorporated in the United Kingdom under the Companies Act

The nature of the Company's operations and its principal activities are set out in the Directors' Report. The Company is not listed. The Company's registered office and principal place of business is Monkton Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE. The company's registered number is 02549857.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

b Basis of preparation of financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's reasonable knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The critical accounting judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the following accounting policy note: Current and deferred taxation (1 c).

Adoption of new and revised accounting standards

The Company has adopted the following new and amended IFRSs as of 1 January 2009:

	Effective Date accounting periods commencing on or after
IAS 1 (revised 2007) Presentation of Financial Statements	1 January 2009
IAS 27 (revised 2008) Consolidated and Separate Financial Statements	1 January 2009
IAS 32 (revised 2008) Financial Instruments: Presentation	1 January 2009
IAS 36 (revised May 2008) Impairment of Assets	1 January 2009
IAS 39 (revised May 2008) Financial Instruments: Recognition and measurement	1 January 2009

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

1. Accounting policies (continued)

b. Basis of preparation of financial statements (continued)

Adoption of new and revised accounting standards (continued)

The adoption of these standards and interpretations has had no material impact on the financial statements of Good Energy Generation Limited, with relevant changes impacting on presentational aspects only

During the year, the following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effectives date relating to the accounting periods starting on or after the effective dates as follows

	Effective Date accounting periods commencing on or after
IAS 7 (revised April 2009) Statement of Cash Flows	1 January 2010
IAS 24 (revised November 2009) Related Party Disclosures	1 January 2011
IAS 27(revised 2008) Consolidated and Separate Financial Statements	1 July 2009
IAS 32 (revised 2008) Financial instruments Presentation	1 February 2010
IAS 36 (revised May 2008) Impairment of assets	1 January 2010
IAS 39 (revised May 2008) Financial instruments Recognition and measurement	30 June 2009

The adoption of these standards and interpretations are not expected to have a material impact on the financial statements of Good Energy Generation Limited in the period they are applied, with relevant changes impacting on presentational aspects only

c. Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Accounting policies (continued)

c. Current and deferred taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising in investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the company intends to settle its current tax assets and liabilities on a net basis.

d. Financial instruments and risk management

The Company uses certain financial instruments in its operating and investing activities that are deemed appropriate for its strategy and circumstances.

Financial instruments recognised on the balance sheet include investments, cash and cash equivalents, trade receivables, trade payables and borrowings.

Financial assets and liabilities are recognised on the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument.

i. Investments

(i) Subsidiary Undertakings

Investments in subsidiaries are carried at cost less provision for impairment.

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

1. Accounting policies (continued)

d Financial instruments and risk management (continued)

i Investments (continued)

(ii) Other investments

Investments held as fixed assets are shown at cost less provision for permanent impairment

ii Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits, and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Net cash and cash equivalents at the end of the reporting period totalled £219 (2008: £315)

iii Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

iv Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

v Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Details of the Company's equity are included in note 7.

The Company's financial instruments comprise cash, liquid resources and various items, such as debtors and creditors that arise directly from its operations, all of which are measured at fair value. It is, and has been throughout the year under review, the Company's policy that financial derivatives shall not be used. As a result, the Company has not used interest rate hedges and currency swaps during the year.

vi Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Details of the Company's exposure to its liabilities, including a maturity analysis, is included in notes 8 and 9.

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

1 Accounting policies (continued)

d Financial instruments and risk management (continued)

vii Interest rate risk

The financial risk is the risk to the Company's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to interest rate fluctuations. The Company has borrowings in the form of a loan from the holding company. The Directors consider interest rate risk not to be significant on this.

viii. Credit risk

At the balance sheet date the Company had no outstanding trade and other receivables. The directors do not consider the Company to be materially exposed to credit risk.

ix. Capital risk management

The Company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order, in due course, to provide returns to shareholders, and to maintain an optimal capital structure. The Company monitors capital on the basis of the gearing ratio calculated as net debt divided by total capital (equity plus net debt). The capital structure of the Company is as follows:

	2009	2008
	£	£
Borrowings (see note 8)	(158,107)	(165,870)
Cash and cash equivalents	219	315
Net debt	157,888	165,555
Total shareholders' equity	10,905	9,465

e Borrowing costs

The Company expenses borrowing costs in the period the costs are incurred.

2 Operating profit

	2009	2008
	£	£
This is stated after charging		
Audit fees (including prior year under provision)	4,750	3,350

The directors did not receive any fees or emoluments from the Company during the period (2008: £nil). No staff were employed in the current or preceding period.

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

3 Finance Income

	2009	2008
	£	£
Dividend income	15,000	200,000

4 Finance Costs

	2009	2008
	£	£
Interest on loans from holding company	5,377	13,503

5 Current tax payables

Factors affecting current tax charge

The Company has no tax charge in the year due to its making a taxable loss. The Company has group relieved its taxable losses to a fellow subsidiary.

Factors affecting future tax charge

There are no factors affecting future tax charges.

6 Investments

	2009	2008
	£	£
Non-current investments		
Investments in subsidiaries	239,056	239,056
Unlisted investments	11,200	11,200
Total	250,256	250,256

The directors do not consider there to have been an impairment in the year.

7 Share capital

	2009	2008
	£	£
Authorised		
100,000 Ordinary shares of 1p each	1,000	1,000
Allotted, called up and fully paid		
14,661 Ordinary shares of 1p	147	147

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

8 Other financial liabilities (non-current)

	2009	2008
	£	£
Loans from holding company	158,107	165,870

9 Trade and other payables

	2009	2008
	£	£
Accruals	4,000	3,150
Loans from holding company	77,463	72,086
Total	81,463	75,236

10 Dividends

Amounts recognised as distributions to shareholders in the year
(based on the number of shares in issue at the record date)

	2009	2008
	£	£
Equity dividends paid of £nil per share (2008 £11.94 per share)	-	175,000

11 Cash flows

Reconciliation of net income to net cash provided by operating activities

	2009	2008
	£	£
Operating loss	(8,183)	(9,643)
Adjustment		
Decrease/(increase) in trade and other receivables	-	446
Increase in trade and other payables	6,227	15,052
Decrease in loans from holding company	(7,763)	(17,604)
Net cash outflow from operations	(9,719)	(11,749)

12. Related party transactions

During the year a loan existed between the Company and Good Energy Group PLC, its parent company. Interest is charged on the loan at 2.5% above the base rate. Details of the amounts outstanding and charged during the year are contained in notes 4, 8 and 9.

During the year the Company received a dividend from its subsidiary company, Windelectric Limited, to the value of £15,000 (2008 £200,000). During the year the Company paid a dividend to its ultimate holding company, Good Energy Group PLC, to the value of £nil (2008 £175,000).

Good Energy Generation Limited

Notes to the Financial Statements

For the Year Ended 31 December 2009

13 Ultimate parent undertaking and controlling party

The Company's ultimate parent undertaking and controlling party is Good Energy Group PLC, a company incorporated in the United Kingdom. The consolidated financial statements of this company are available to the public and may be obtained from its registered office Monkton Reach, Monkton Hill, Chippenham, Wiltshire, SN15 1EE.