

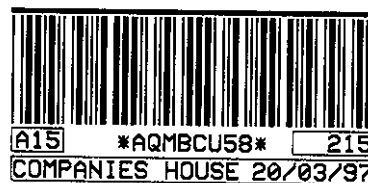
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MERCURY-TRIODOS WIND ENERGY LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1996

Registered number: 2822816



SPAINS

CHARTERED ACCOUNTANTS

Hastings

MERCURY-TRIODOS WIND ENERGY LIMITED

FINANCIAL STATEMENTS

for the year ended 31st December 1996

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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MERCURY-TRIODOS WIND ENERGY LIMITED

COMPANY INFORMATION

31st December 1996

NUMBER	2822816
CHAIRMAN	G Saunders
OTHER DIRECTORS	P Blom
SECRETARY	M Robinson
REGISTERED OFFICE	Brunel House 11 The Promenade Clifton Bristol BS8 3NN
AUDITORS	Spains Chartered Accountants 51 Havelock Road Hastings East Sussex TN34 1BE

MERCURY-TRIODOS WIND ENERGY LIMITED

DIRECTORS' REPORT

31st December 1996

The directors present their report and the audited financial statements for the year ended 31st December 1996.

Principal activity

The principal activity of the company is that of investment in wind energy projects.

Business review

The company's balance sheet as detailed on page 6 shows a deficiency of shareholders' funds amounting to £9,105.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1996	1st January 1996
	Ordinary shares	Ordinary shares
G Saunders	-	-
P Blom	-	-

Throughout the year the whole of the company's issued share capital was owned by Triodos Deelnemingen BV, of which P Blom was a director.

Auditors

Spains have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

M. A. Robinson
M Robinson
Secretary

Brunel House
11 The Promenade
Clifton
Bristol BS8 3NN

28 February 1997

MERCURY-TRIODOS WIND ENERGY LIMITED

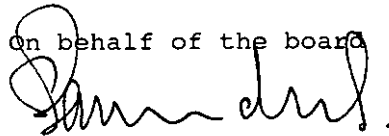
STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which 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 those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board


G Saunders
Chairman

28 February 1997

MERCURY-TRIODOS WIND ENERGY LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Mercury-Triodos Wind Energy Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hastings

6 February 1997

March

Spains

Spains
Registered Auditor
Chartered Accountants

MERCURY-TRIODOS WIND ENERGY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1996

	Note	1996 £	1995 £
Other operating income		<u>1</u>	<u>245</u>
Other operating charges		<u>1</u> <u>(1,097)</u>	<u>245</u> <u>(3,341)</u>
Loss on ordinary activities before taxation		(1,096)	(3,096)
Taxation	3	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		(1,096)	(3,096)
retained for the year	9	<u><u>-</u></u>	<u><u>(3,096)</u></u>

Movements in reserves are shown in note 9.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the loss for the year.

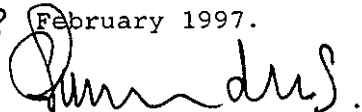
MERCURY-TRIODOS WIND ENERGY LIMITED

BALANCE SHEET

at 31st December 1996

	Note	1996 £	1995 £
Fixed assets			
Investments	4	27,123	157,204
		<u>27,123</u>	<u>157,204</u>
Current assets			
Cash at bank and in hand		22	38
		<u>22</u>	<u>38</u>
Creditors: amounts falling due within one year	5	(36,250)	(353)
Net current liabilities		<u>(36,228)</u>	<u>(315)</u>
Total assets less current liabilities		<u>(9,105)</u>	<u>156,889</u>
Creditors: amounts falling due after more than one year	6	-	(164,898)
		<u>(9,105)</u>	<u>(8,009)</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	(10,105)	(9,009)
Total shareholders' funds	7	<u>(9,105)</u>	<u>(8,009)</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 28 February 1997.



G Saunders
Chairman

MERCURY-TRIODOS WIND ENERGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1996

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Research and Development

Research and development expenditure incurred by the company itself is written off in the year in which it is incurred. Expenditure incurred on behalf of the joint venture is capitalised as part of the investment in that venture.

2 Operating loss

	1996 £	1995 £
Operating loss is stated after crediting		
Interest receivable	1	115
and after charging		
Auditors' remuneration	353	353

3 Taxation

The company has no liability for taxation.

MERCURY-TRIODOS WIND ENERGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1996

4 Fixed asset investments

	Investments other than loans £
Cost	
1st January 1996	157,204
Additions	-
Disposals	(130,081)
	<u>27,123</u>
31st December 1996	
Net book amount	
31st December 1996	<u>27,123</u>
1st January 1996	<u>157,204</u>

The company has invested in a joint venture with Windcluster Limited and E-Connections BV. Each party to the joint venture contributes one third of the costs of the venture. The joint venture is unincorporated and operates from various locations throughout the United Kingdom.

5 Creditors: amounts falling due within one year

	1996 £	1995 £
Amounts owed to group undertakings	35,897	-
Accruals and deferred income	353	353
	<u>36,250</u>	<u>353</u>

MERCURY-TRIODOS WIND ENERGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1996

6 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Other loans	-	164,898
	-	164,898
Maturity of debt		
In one year or less, or on demand	-	-
- see note 5	-	-
In five years or more	-	164,898
Amounts falling due after more than five years:		
Other loans	-	164,898
	-	164,898

7 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Loss for the financial year representing a Net subtraction from shareholders' funds	(1,096)	(3,096)
Opening shareholders' funds	(8,009)	(4,913)
Closing shareholders' funds	(9,105)	(8,009)

8 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	100,000	100,000	100,000	100,000
Allotted called up and fully paid				
Authorised share capital	1,000	1,000	1,000	1,000

MERCURY-TRIODOS WIND ENERGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1996

9 Profit and loss account

	1996 £
1st January 1996	(9,009)
Retained loss for the year	(1,096)
	<hr/>
31st December 1996	<u>(10,105)</u>

10 Financial commitments

The company has contracted under the terms of the joint venture to meet one third of the running costs of the venture.

11 Ultimate parent undertaking

The company's ultimate parent undertaking at the Balance Sheet date was Triodos Deelnemingen BV, a company incorporated in the Netherlands.