

**Ecotricity Group Limited**

**Directors' report and financial  
statements**

**Registered number 3521776**

**30 April 2011**

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## Directors' report

The directors present the Directors' report and financial statements for the year ended 30 April 2011

### Principal activities and review of the business

#### Principal activities and review of the business

The principal focus of the Group continued to be the environment

Our long term mission has been and is to change the way electricity is made in the UK

During 2010/11 we built another wind turbine, and our first solar park, expanding and diversifying our renewable energy capacity

Following our entrance into the gas market in 09/10, we have increased our gas customer base substantially in 10/11

This marks our transition from a green electricity company to a green energy company

The principal risks haven't changed – they are regulatory (government deciding to focus incentives on other forms of renewable energy or significantly adversely altering the renewable obligation), recessionary (potential customers having less focus on environmental issues owing to personal financial constraints) and environmental (constraints being placed on our ability to plan and develop wind or solar parks)

Ecotricity raised 310m from a publically offered Bond (4 year term) in December 2010, to help finance a number of new wind and solar park developments

The other major change was the acquisition of a controlling interest in Forest Green Rovers FC Ltd. This required a substantial cash investment, and significant efforts are now underway to turn the financial performance of the club around

The intention is to make the club the UK's first Green football club, with an organic pitch, solar power, and environmentally sound practices

#### Key Performance Indicators

In the year ended 30 April 2011, turnover was £44.2m representing an increase of 19.8% on the year before. However, pre-tax profits reduced in the year to £1.7m

The company has significant bank loans, net debt increasing from £43.1m to £51.4m. This is due to the additional debt from the Bond and the G24i development, outweighing considerably repayments made on existing loans during the year

Growth continued strongly in 10/11, however the growth of our team, a strategic investment preparing the way for further growth while maintaining excellent service, has led to an increase in overheads, contributing to a reduction in the Group's profit before tax (PBT)

In addition to this, wind generation was lower in 10/11 than the previous year, further reducing profitability

New generation planning has continued at a pace, with 46MW of new planning applications submitted during the year. At the end of the year we had 24MW of consented un-built capacity

We ended the year with circa 48,000 retail customers, almost 30% more than April 2010. This growth is expected to continue, so the outlook for the Group remains excellent

#### Results and dividends

The results for the year are set out on page 8. The directors do not recommend payment of an ordinary dividend (2010: £Nil)

## **Directors' report** *(continued)*

### **Directors**

The directors who held office during the year were as follows

D Vince  
K Vince

### **Political and charitable contributions**

The Company made charitable disclosures of £30,245 (2010 £23,390) in the year. Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure in either year.

### **Disclosure of information to auditors**

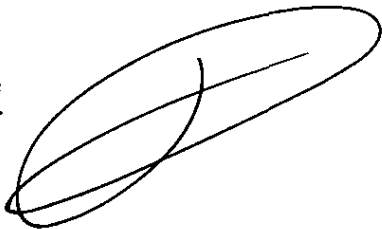
The directors who held office at the date of approval of this Directors' report confirm that, so far as each is aware, there is no relevant audit information of which the Company's auditors are unaware, and that the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

Pursuant to 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

D Vince  
Director



Axiom House  
Station Road  
Stroud  
Gloucestershire  
GL5 3AP

14 - 10 - 2011

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

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



## **Independent auditor's report to the members of Ecotricity Group Limited**

We have audited the financial statements of Ecotricity Group Limited for the year ended 30 April 2011 set out on pages 8 to 28. 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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, 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](http://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 group's and the parent company's affairs as at 30 April 2011 and of the group's loss 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 Directors' 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 Ecotricity Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



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

17 October 2011

**Consolidated Profit and Loss Account**  
*for the year ended 30 April 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
<b>Turnover</b>	<i>1</i>	<b>44,202,184</b>	<b>36,902,624</b>
Cost of sales		<b>(22,984,677)</b>	<b>(17,034,064)</b>
<b>Gross profit</b>		<b>21,217,507</b>	<b>19,868,560</b>
Administrative expenses		<b>(16,875,396)</b>	<b>(13,641,235)</b>
<b>Operating profit</b>	<i>2-4</i>	<b>4,342,111</b>	<b>6,227,325</b>
Interest receivable and similar income	<i>5</i>	<b>29,560</b>	<b>9,190</b>
Interest payable and similar charges	<i>6</i>	<b>(2,700,816)</b>	<b>(2,419,604)</b>
<b>Profit on ordinary activities before taxation</b>		<b>1,670,855</b>	<b>3,816,911</b>
Tax on profit on ordinary activities	<i>7</i>	<b>(2,511,200)</b>	<b>(1,336,562)</b>
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(840,345)</b>	<b>2,480,349</b>
Minority interests	<i>18</i>	<b>167,982</b>	<b>2,172</b>
<b>(Loss)/profit for the financial year</b>	<i>17</i>	<b>(672,363)</b>	<b>2,482,521</b>



## Consolidated Balance Sheet at 30 April 2011

	Note	2011		2010	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8	6,113,583		5,549,133	
Tangible assets	9	95,162,799		82,513,599	
Investments	10	134,129		50,227	
		<u>101,410,511</u>		<u>88,112,959</u>	
<b>Current assets</b>					
Stock	11	677,742		473,978	
Debtors	12	18,391,409		12,691,548	
Cash at bank and in hand		8,227,471		5,172,745	
		<u>27,296,622</u>		<u>18,338,271</u>	
<b>Creditors</b> amounts falling due within one year	13	(14,548,071)		(10,093,220)	
<b>Net current assets</b>		<u>12,748,551</u>		<u>8,245,051</u>	
<b>Total assets less current assets</b>		<u>114,159,062</u>		<u>96,358,010</u>	
<b>Creditors</b> amounts falling due after more than one year	14	(53,560,020)		(45,027,467)	
<b>Provisions for liabilities</b>	15	(5,690,862)		(3,301,261)	
<b>Net assets</b>		<u>54,908,180</u>		<u>48,029,282</u>	
<b>Capital and reserves</b>					
Called up share capital	16	2		2	
Capital redemption reserve	17	1		1	
Revaluation reserve	17	41,818,176		35,446,768	
Profit and loss account	17	12,901,554		12,586,931	
	17	<u>54,719,733</u>		<u>48,033,702</u>	
<b>Minority interests</b>	18	188,447		(4,420)	
<b>Total shareholder's funds</b>		<u>54,908,180</u>		<u>48,029,282</u>	

These financial statements were approved by the board of directors on  
signed by

14 - 10 - 2011 and were

**D Vince**  
Director

Company registered number 3521776

**Company Balance Sheet**  
*at 30 April 2011*

	Note	2011		2010	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		2,340,333		2,540,933
Tangible assets	9		7,090,003		5,831,857
Investments	10		1,528,844		699,842
			<u>10,959,180</u>		<u>9,072,632</u>
<b>Current assets</b>					
Debtors	12	19,416,526		11,901,765	
Cash at bank and in hand		149,016		63,633	
		<u>19,565,542</u>		<u>11,965,398</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(29,119,210)</u>		<u>(19,605,567)</u>	
<b>Net current liabilities</b>			<u>(9,553,668)</u>		<u>(7,640,169)</u>
<b>Total assets less current liabilities</b>			<u>1,405,512</u>		<u>1,432,463</u>
<b>Creditors: amounts falling due after more than one year</b>	14		<u>(828,221)</u>		<u>(855,173)</u>
<b>Provisions for liabilities</b>	15		<u>(345,450)</u>		<u>(252,384)</u>
<b>Net assets</b>			<u>231,841</u>		<u>324,906</u>
<b>Capital and reserves</b>					
Called up share capital	16		2		2
Capital redemption reserve	17		1		1
Profit and loss account	17		231,838		324,903
<b>Equity Shareholder's funds</b>			<u>231,841</u>		<u>324,906</u>

These financial statements were approved by the board of directors on  
signed by

14 - 10 - 2011 and were

**D Vince**  
Director

Company registered number 3521776

## Consolidated Cash Flow Statement for the year ended 30 April 2011

	Note	2011 £	2010 £
<b>Reconciliation of operating profit to net cash flow from operating activities</b>			
Operating profit		4,342,111	6,227,325
Depreciation charges		3,826,346	3,518,891
Amortisation charges		270,097	215,079
Loss on sale of fixed assets		6,499	76,168
(Increase)/decrease in stocks		(196,576)	11,664
Increase in debtors		(5,655,339)	(603,460)
Increase in creditors		1,579,639	1,518,303
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>		<b>4,172,777</b>	<b>10,963,970</b>
		<hr/>	<hr/>

### Cash flow statement

Cash flow from operating activities		4,172,777	10,963,970
Returns on investments and servicing of finance	21	(2,671,256)	(2,410,414)
Taxation		(3,751)	-
Capital expenditure and financial investment	21	(7,651,329)	(3,647,058)
Acquisitions and disposals		(778,902)	(319,429)
		<hr/>	<hr/>
Cash inflow/(outflow) before financing		(6,932,461)	4,587,069
<b>Financing</b>	21	<b>9,401,484</b>	<b>(2,621,270)</b>
		<hr/>	<hr/>
<b>Increase in cash in the year</b>		<b>2,469,023</b>	<b>1,965,799</b>
		<hr/>	<hr/>

### Reconciliation of net cash flow to movement in net debt

	Note	£	£
<b>Increase in cash in the year</b>	22	<b>2,469,023</b>	<b>1,965,799</b>
Change in net debt resulting from cash flows		(9,401,484)	2,621,270
Change in net debt resulting from non-cash flows		(1,251,386)	-
		<hr/>	<hr/>
<b>Movement in net debt in the year</b>		<b>(8,183,847)</b>	<b>4,587,069</b>
<b>Net debt at the start of the year</b>	22	<b>(43,178,373)</b>	<b>(47,765,442)</b>
		<hr/>	<hr/>
<b>Net debt at the end of the year</b>	22	<b>(51,362,220)</b>	<b>(43,178,373)</b>
		<hr/>	<hr/>

**Note of Historical Cost Profits and Losses**  
*for the year ended 30 April 2011*

	2011 £	2010 £
Reported profit on ordinary activities before taxation	1,670,855	3,816,911
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	986,986	3,320,642
<b>Historical cost profit on ordinary activities before taxation</b>	<b>2,657,841</b>	<b>7,137,553</b>
<b>Historical cost profit for the year after taxation</b>	<b>146,641</b>	<b>5,800,991</b>

**Group Statement of Total Recognised Gains and Losses**  
*for the year ended 30 April 2011*

	2011 £	2010 £
(Loss)/Profit for the financial year	(672,363)	2,482,521
Unrealised surplus on revaluation of properties	7,358,394	761,020
<b>Total recognised gains and losses relating to the financial year</b>	<b>6,686,031</b>	<b>3,243,541</b>

**Reconciliation of Movements in Shareholders' Funds**  
*for the year ended 30 April 2011*

	2011 £	2010 £
(Loss)/Profit for the financial year	(672,363)	2,482,521
Unrealised surplus on revaluation of properties	7,358,394	761,020
<b>Net addition to shareholders' funds</b>	<b>6,686,031</b>	<b>3,243,541</b>
Opening shareholders' funds	48,033,702	44,790,161
<b>Closing shareholders' funds</b>	<b>54,719,733</b>	<b>48,033,702</b>

## Notes

*(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 certain assets

#### ***Going concern***

The directors have reviewed the cash flow forecasts for the Group. In particular the directors' note that the Group's trading and cash flow performance since the balance sheet date is in line with these forecasts. With regard to the net current liabilities of the company and taking account of reasonably possible changes in trading performance, the directors are satisfied that the Group will generate sufficient cashflows to allow the parent company to meet its liabilities as they fall due for payment for at least the next 12 months.

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 April 2011. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

#### ***Goodwill and negative goodwill***

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life. The estimated useful life of the goodwill is 10 years.

#### ***Development wind assets***

Included in intangible assets are development wind assets which represent the costs incurred in bringing individual wind park projects to the consented stage. Expenditure on research into identifying suitable sites and other initial costs incurred before site selection are expensed. Once site selection stage has been reached an option over the land is acquired. The option forms the basis of the development wind asset. Subsequent directly attributable costs, including attributable labour and overhead costs, planning application costs and environmental impact studies costs over the land in respect of which the interest is held is capitalised only if there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be exceeded by related future sales and adequate resources exist to enable the project to be completed. Development wind assets are not depreciated until the asset is substantially complete and ready for its intended use. At the time the planning permission is approved and the option is exercised the carrying value of the project is transferred to property, plant and equipment as assets under construction. Depreciation is over the expected useful life of the related operational asset. The asset is derecognised on disposal. Where planning permission is not granted or a decision is made not to acquire the land the related assets are written off.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Intangible fixed assets and amortisation*

Other intangible assets that have been acquired by the Group are brands and are stated at cost less accumulated amortisation and impairment losses. Expenditure on internally generated brands is expensed as incurred.

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life of the asset as follows:

Brand name	-	15 years
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#### *Investments*

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

#### *Tangible fixed assets and depreciation*

The group follows a policy of revaluation for its power generating assets. In accordance with FRS 15 *Tangible Fixed Assets*, management assesses on an annual basis whether there are any material changes in value since the last valuation. Every 3 years an interim valuation is performed for power generating assets and every 5 years a full valuation is performed.

Depreciation is provided when assets are substantially complete and ready for intended use. Assets being constructed for intended use are held as assets in the course of construction.

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

Freehold land and buildings	-	50 years
Plant and machinery	-	15 – 24 years (1/4 residual value)
Fixtures, fittings & equipment	-	3 – 4 years
Motor vehicles	-	4 years

No depreciation is provided on freehold land.

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or rate of exchange ruling at the balance sheet date and gains or losses on translation are in the profit and loss account.

#### *Leases*

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### *Post retirement benefits*

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### *Research and development expenditure*

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to be less than related future sales and adequate resources exist to enable the project to be completed.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value

#### *Taxation*

The charge for taxation is based on the result 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

#### *Turnover*

Revenue comprises revenue from i) the sale of electricity and gas to industrial and commercial and domestic customers and related renewable credits, ii) revenue from electricity generation and iii) revenue from goods and services sold during the year

Revenue from the sale of electricity and gas to customers is recognised when earned on the basis of a contractual agreement with the customer. It reflects the value of the volume supplied, including an estimated value of the volume supplied to customers, between the date of their last meter reading and the year end

Revenue from electricity generation is recognised when power is supplied

Sales of goods are recognised when goods are delivered and title has passed, along with the risks and rewards of ownership

#### *Cash and liquid resources*

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand

Liquid resources are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values or traded in an active market

### 2 Notes to the profit and loss account

	2011 £	2010 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation of tangible fixed assets	3,826,346	3,518,891
Amortisation of intangible fixed assets	270,097	215,079
Loss on disposal of tangible assets	6,499	76,168
Net loss due to foreign exchange transactions	7,808	4,708
Operating lease rentals	394,116	416,559
	<hr/>	<hr/>

## Notes (continued)

### 2 Notes to the profit and loss account (continued)

#### Auditors' remuneration

	2011 £	2010 £
Audit of these financial statements	8,352	8,000
Amounts receivable by the current auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	86,838	58,000
Other services relating to taxation	29,835	15,700
All other services	15,000	75,000
	<u>          </u>	<u>          </u>

### 3 Remuneration of directors

	2011 £	2010 £
Directors' emoluments	148,875	130,400
	<u>          </u>	<u>          </u>

### 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	Number of employees 2011	2010
Administration	191	163
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages and salaries	5,433,472	4,783,508
Social security costs	566,624	515,526
Other pension costs	115,146	86,034
	<u>          </u>	<u>          </u>
	6,115,242	5,385,068
	<u>          </u>	<u>          </u>

### 5 Other interest receivable and similar income

	2011 £	2010 £
Bank interest receivable	29,560	9,190
	<u>          </u>	<u>          </u>



## Notes (continued)

### 6 Interest payable and similar charges

	2011 £	2010 £
On bank loans and overdrafts	2,416,365	2,419,604
On Eco bonds	284,451	-
	<u>2,700,816</u>	<u>2,419,604</u>

### 7 Taxation

#### Analysis of charge in year

	2011 £	2010 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Total current tax	-	-
<i>Deferred tax (see note 15)</i>		
Effect of tax rate change on opening balance	945,132	-
Origination/reversal of timing differences	901,524	877,805
Adjustment in respect of previous years	664,544	458,757
	<u>2,511,200</u>	<u>1,336,562</u>
Total deferred tax	2,511,200	1,336,562
	<u>2,511,200</u>	<u>1,336,562</u>
Tax on profit on ordinary activities	2,511,200	1,336,562

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2010 lower) than the average standard rate of corporation tax in the UK for the year. The differences are explained below.

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,670,855	3,816,911
	<u>1,670,855</u>	<u>3,816,911</u>
Current tax at 27.8% (2010 21%)	464,498	801,551
<i>Effects of</i>		
Income not taxable for tax purposes	-	(8,663)
Expenses not deductible for tax purposes	398,504	74,697
Capital allowances for period in excess of depreciation	(966,355)	(854,362)
Unprovided deferred tax	103,206	-
Other tax adjustments	147	-
Unrelieved tax losses not recognised	-	(13,223)
	<u>-</u>	<u>-</u>
Total current tax charge (see above)	-	-

## Notes (continued)

Provisions for deferred tax at 1 May 2010 were calculated at the UK rate of corporation tax applicable to small companies at 21%. On 23 March 2011 the Chancellor announced a reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. Due to this change, and because of the increase in the number of companies within the group, associated for tax purposes, provisions for deferred tax as at 30 April 2011 has been calculated at the rate of 26%.

### 8 Intangible fixed assets

<i>Group</i>	<b>Development wind assets</b>	<b>Brand name</b>	<b>Goodwill</b>	<b>Total</b>
	£	£	£	£
<i>Cost</i>				
At beginning of year	2,675,193	3,009,000	347,486	6,031,679
Additions	1,242,516	-	-	1,242,516
Disposal	(407,969)	-	-	(407,969)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	3,509,740	3,009,000	347,486	6,866,226
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Amortisation</i>				
At beginning of year	-	468,067	14,479	482,546
Charged in year	-	200,600	69,497	270,097
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	-	668,667	83,976	752,643
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>				
At 30 April 2011	3,509,740	2,340,333	263,510	6,113,583
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 April 2010	2,675,193	2,540,933	333,007	5,549,133
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

<i>Company</i>	<b>Brand name</b>
	£
<i>Cost</i>	
At beginning of year	3,009,000
Additions	-
	<u>          </u>
At end of year	3,009,000
	<u>          </u>
<i>Amortisation</i>	
At beginning of year	468,067
Charged in year	200,600
	<u>          </u>
At end of year	668,667
	<u>          </u>
<i>Net book value</i>	
At 30 April 2011	2,340,333
	<u>          </u>
At 30 April 2010	2,540,933
	<u>          </u>

## Notes (continued)

### 9 Tangible fixed assets

<b>Group</b>	<b>Freehold land and buildings</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Assets in course of construction</b>	<b>Total</b>
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At beginning of year	2,230,955	80,740,069	6,320,324	954,452	1,000,624	91,246,424
Additions	3,576,321	4,092,453	775,018	502,312	176,462	9,122,566
Disposals	-	(8,819)	(14,549)	-	(35,382)	(58,750)
Revaluations	-	4,876,561	-	-	-	4,876,561
Transfers between items	624,000	510,705	(486,142)	-	(648,563)	-
At end of year	6,431,276	90,210,969	6,594,651	1,456,764	493,141	105,186,801
<b>Depreciation</b>						
At beginning of year	181,198	6,449,742	1,934,548	167,337	-	8,732,825
Charge for year	192,389	2,644,251	745,050	244,656	-	3,826,346
On disposals	-	(5,158)	(8,946)	-	-	(14,104)
Revaluations	-	(2,521,065)	-	-	-	(2,521,065)
At end of year	373,587	6,567,770	2,670,652	411,993	-	10,024,002
<b>Net book value</b>						
At 30 April 2011	6,057,689	83,643,199	3,923,999	1,044,771	493,141	95,162,799
At 30 April 2010	2,049,757	74,290,327	4,385,776	787,115	1,000,624	82,513,599

Included in the total net book value of plant and machinery is £3,423,260 (2010 £2,663,136) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £479,421 (2010 £407,954).

Included in the total net book value of motor vehicles is £Nil (2010 £4,236) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £Nil (2010 £3,909).

Included in the total net book value of freehold land and buildings is £80,079 (2010 £80,079) in respect of land which is not depreciated.

## Notes (continued)

### 9 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

	2011 £	2010 £
At full valuation	86,901,865	77,873,175
Aggregate depreciation thereon	(7,468,541)	(6,127,683)
	<u>79,433,324</u>	<u>71,745,492</u>
Net book value	<u>79,433,324</u>	<u>71,745,492</u>
Historical cost of revalued assets	45,545,064	43,874,768
Aggregate depreciation thereon	(7,929,916)	(7,576,044)
	<u>37,615,148</u>	<u>36,298,724</u>
Historical cost net book value	<u>37,615,148</u>	<u>36,298,724</u>

Full valuations were performed for wind park assets on either 31 July 2007 or 30 April 2008 by KPMG LLP or by management using forecasts supplied by SKM Consulting. An internal valuation was performed as at 30 April 2011 by management for all wind parks and the results have been reflected above.

During the year a full valuation of buildings owned by a subsidiary, Forest Green Rovers, was carried out by Andrew Watton Property Consultants resulting in a revaluation that has been reflected in the additions to Freehold land and buildings made by the Group.

Company	Freehold buildings	Fixtures, fittings and equipment	Motor vehicles	Assets in course of construction	Total
Cost	£	£	£	£	£
At beginning of year	1,546,984	4,567,701	221,759	683,945	7,020,389
Additions	1,225,001	718,334	57,115	72,886	2,073,336
Disposals	-	-	-	(35,382)	(35,382)
Transfers between items	624,000	24,563	-	(648,563)	-
	<u>3,395,985</u>	<u>5,310,598</u>	<u>278,874</u>	<u>72,886</u>	<u>9,058,343</u>
At end of year	<u>3,395,985</u>	<u>5,310,598</u>	<u>278,874</u>	<u>72,886</u>	<u>9,058,343</u>
Depreciation					
At beginning of year	122,073	899,121	167,338	-	1,188,532
Charge for year	151,018	585,902	42,888	-	779,808
	<u>273,091</u>	<u>1,485,023</u>	<u>210,226</u>	<u>-</u>	<u>1,968,340</u>
At end of year	<u>273,091</u>	<u>1,485,023</u>	<u>210,226</u>	<u>-</u>	<u>1,968,340</u>
Net book value					
At 30 April 2011	<u>3,122,894</u>	<u>3,825,575</u>	<u>68,648</u>	<u>72,886</u>	<u>7,090,003</u>
At 30 April 2010	<u>1,424,911</u>	<u>3,668,580</u>	<u>54,421</u>	<u>683,945</u>	<u>5,831,857</u>

Included in the total net book value of motor vehicles is £Nil (2010 £4,236) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £Nil (2010 £3,909).

## Notes (continued)

### 10 Fixed asset investments

<i>Group</i>	<b>Listed investments</b> £		
<i>Cost</i>			
At beginning of year			50,227
Additions			83,902
			<hr/>
At end of year			134,129
			<hr/>
<i>Net book value</i>			
At 30 April 2011			134,129
			<hr/>
At 30 April 2010			50,227
			<hr/>
<i>Company</i>	<b>Listed investments</b> £	<b>Shares in group undertakings</b> £	<b>Total</b> £
<i>Cost</i>			
At beginning of year	50,214	649,628	699,842
Additions	83,902	745,100	829,002
	<hr/>	<hr/>	<hr/>
At end of year	134,116	1,394,728	1,528,844
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 April 2011	134,116	1,394,728	1,528,844
	<hr/>	<hr/>	<hr/>
At 30 April 2010	50,214	649,628	699,842
	<hr/>	<hr/>	<hr/>

## Notes (continued)

### 10 Fixed asset investments (continued)

The principal companies in which the Company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held	
<b><i>Subsidiary undertakings</i></b>				
Lynch Knoll Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Ecotech Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Somerton Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Merchant Wind Park (East Kilbride) Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Bambers Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Bankers Extension Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Mablethorpe Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Swaffham Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Dagenham Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Green Park Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Dundee Merchant Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Bristol Port Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Fen Farm Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Shooters Bottom Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Worksop Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Cardiff Wind Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Fen Farm Solar Park Limited <sup>1</sup>	UK	Wind park	Ordinary	100%
Next Generation Wind Holdings Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Wind Holdings Nord Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Next Generation Limited	UK	Holding company	Ordinary	100%
New Power Company Limited <sup>1</sup>	UK	Holding company	Ordinary	100%
Western Wind Power Limited	UK	Manufacturing	Ordinary	100%
Eco Cars Limited	UK	Development	Ordinary	100%
The Renewable Energy Company Limited	UK	Supplier	Ordinary	100%
Ecotricity Bonds Limited	UK	Financing	Ordinary	100%
Ecotopia Limited	UK	Internet retailer	Ordinary	94%
Forest Green Rovers Football Club Limited <sup>2</sup>	UK	Football club	Ordinary	71%

Note 1 – shares held by a subsidiary company

Note 2 – company's year end is 31 May

### 11 Stocks

Group	2011 £	2010 £
Raw materials and consumables	651,115	284,384
Finished goods and goods for resale	26,627	189,594
	<u>677,742</u>	<u>473,978</u>

## Notes (continued)

### 12 Debtors

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Trade debtors	4,985,744	3,768,630	1,307	1,909
Amounts owed by group undertakings	-	-	18,345,614	11,411,108
Other debtors	3,114,807	3,875,467	829,500	235,340
Prepayments and accrued income	10,290,858	5,047,451	240,105	253,408
	<u>18,391,409</u>	<u>12,691,548</u>	<u>19,416,526</u>	<u>11,901,765</u>

Included within other debtors is £496,719 of director's loans. These loans are interest free and are repayable on demand.

### 13 Creditors: amounts falling due within one year

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Bank loans and overdrafts	4,310,673	2,789,411	122,393	62,089
Obligations under finance leases and hire purchase contracts (see note 14)	277,998	534,240	277,998	534,240
Bond (see note 14)	1,441,000	-	-	-
Trade creditors	3,481,081	2,753,235	438,564	301,761
Amounts owed to group undertakings	-	-	27,733,595	17,588,560
Taxation and social security	377,817	342,447	155,188	123,910
Other creditors	550,574	1,245,805	8,131	789,196
Accruals and deferred income	3,987,329	2,424,331	383,341	202,060
Corporation tax	121,599	3,751	-	3,751
	<u>14,548,071</u>	<u>10,093,220</u>	<u>29,119,210</u>	<u>19,605,567</u>

### 14 Creditors: amounts falling due after more than one year

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Bank loans	43,726,753	43,130,992	650,744	399,698
Bond	9,655,790	1,441,000	-	-
Obligations under finance leases and hire purchase contracts	177,477	455,475	177,477	455,475
	<u>53,560,020</u>	<u>45,027,467</u>	<u>828,221</u>	<u>855,173</u>

On 15 December 2010 the group raised an unsecured bond of £10 million, before transaction costs, in multiples of £500. The coupon payable is 7% with an additional 0.5% for Ecotricity customers. Bonds are to mature after 15 December 2014 with 6 months notice to be given by either party after that date.

## Notes (continued)

### 14 Creditors: amounts falling due after more than one year (continued)

In accordance with the repayment terms the £1,441,000 bond has been recognised within amounts falling due within one year. The terms of the bond require it to be redeemed at par on 15 December 2011. Interest of 7% (2010 7%) per annum is payable.

Included in the bank loans and overdrafts category are a number of loans. These are repayable by instalments between 2011 and 2027 and interest rates between base rate + 1.1% and 11% apply.

The bank loans are secured on the wind parks or property to which they relate.

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Within one year	277,998	534,240	277,998	534,240
In the second to fifth years	177,477	455,475	177,477	455,475
Over five years	-	-	-	-
	<u>455,475</u>	<u>989,715</u>	<u>455,475</u>	<u>989,715</u>

The maturity of the bank loans and overdrafts is as follows:

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Within one year	4,310,673	2,789,411	122,393	62,089
In the second to fifth years	14,790,009	12,865,444	419,517	214,190
Over five years	28,936,744	30,265,548	231,227	185,508
	<u>48,037,426</u>	<u>45,920,403</u>	<u>773,137</u>	<u>461,787</u>

### 15 Provisions for liabilities

	Group £	Company £
<b>Deferred taxation</b>		
At beginning of year	3,301,261	252,384
Charge to the profit and loss for the year (note 7)	2,511,200	93,066
Utilised during year	(121,599)	-
<b>At end of year</b>	<u>5,690,862</u>	<u>345,450</u>



## Notes (continued)

### 15 Provisions for liabilities (continued)

The elements of deferred taxation are as follows

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Difference between accumulated depreciation and amortisation and capital allowances	5,690,900	3,301,261	345,450	252,384

On 23 March 2011 the Chancellor announced a reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011. Due to this change, and because of the increase in the number of companies within the group, associated for tax purposes, provisions for deferred tax as at 30 April 2011 has been calculated at the rate of 26%.

The Chancellor has also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23 per cent by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 26 per cent to 23 per cent, if these applied to the deferred tax balance at 30 April 2011, would be to further reduce the deferred tax liability by approximately £667k.

### 16 Called up share capital

	2011 £	2010 £
<i>Authorised</i>		
100,000 ordinary shares of £1 each	100,000	100,000
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2

### 17 Movement in shareholder's funds

	Share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total
<i>Group</i>	£	£	£	£	£
At beginning of year	2	1	35,446,768	12,586,931	48,033,702
Loss for the year	-	-	-	(672,363)	(672,363)
Revaluation in year (note 9)	-	-	7,358,394	-	7,358,394
Transfer from revaluation reserve	-	-	(986,986)	986,986	-
<b>At end of year</b>	<b>2</b>	<b>1</b>	<b>41,818,176</b>	<b>12,901,554</b>	<b>54,719,733</b>

## Notes (continued)

### 17 Movements in shareholder's funds (continued)

	Share capital	Capital redemption reserve	Profit and loss account	Total
<i>Company</i>	£	£	£	£
At beginning of year	2	1	324,903	324,906
Loss for the year	-	-	(93,065)	(93,065)
<b>At end of year</b>	<b>2</b>	<b>1</b>	<b>231,838</b>	<b>231,841</b>

### 18 Minority interests

	2011 £	2010 £
<i>Group</i>		
At beginning of year	(4,420)	-
Acquisition of subsidiary undertaking	24,885	(2,248)
Share of loss for year	167,982	(2,172)
<b>At end of year</b>	<b>188,447</b>	<b>(4,420)</b>

### 19 Commitments

(a) Capital commitments at the end of the financial year, for which no provision has been made, are £4,887,000 as at 30 April 2011 (30 April 2010 £759,000)

(b) Annual commitments under non-cancellable operating leases are as follows

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
<i>Group</i>	£	£	£	£
Operating leases which expire				
Within one year	14,040	-	83,119	-
In the second to fifth years inclusive	-	-	5,850	-
Over five years	287,580	-	327,590	-
	<b>301,620</b>	<b>-</b>	<b>416,559</b>	<b>-</b>

### 20 Pension scheme

#### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £115,146 (2010 £86,034). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

## Notes (continued)

### 21 Analysis of cash flows

	2011 £	2011 £	2010 £	2010 £
<b>Returns on investment and servicing of finance</b>				
Interest received	29,560		9,190	
Interest paid	(2,700,816)		(2,419,604)	
		(2,671,256)		(2,410,414)
<b>Taxation</b>				
Tax paid		(3,751)		-
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets	(6,771,027)		(2,757,262)	
Purchase of intangible fixed assets	(1,242,516)		(963,258)	
Purchase of investment	(83,902)		(44,562)	
Sale of tangible fixed assets	38,147		118,024	
Sale of intangible fixed assets	407,969		-	
		(7,651,329)		(3,647,058)
<b>Financing</b>				
Increase/(decrease) of bank loans	279,934		(2,750,648)	
New borrowings	9,655,790		-	
Capital element of finance lease and hire purchase contracts	(534,240)		129,378	
		9,401,484		(2,621,270)

### 22 Analysis of net debt

	At beginning of year	Cash flow £	Non-cash £	At end of year £
Cash in hand, at bank	5,172,745	3,054,726	-	8,227,471
Overdrafts	(16,490)	(585,703)	-	(602,193)
	5,156,255	2,469,023	-	7,625,278
Debt due within one year	(3,307,161)	572,068	(2,692,385)	(5,427,478)
Debt due after one year	(45,027,467)	(9,973,553)	1,441,000	(53,560,020)
<b>Total</b>	(43,178,373)	(6,932,462)	(1,251,385)	(51,362,220)

Non cash movements relate to reclassification of a bond (see note 14) and debt acquired as part of an acquisition (see note 24)

## Notes (continued)

### 23 Related party disclosures

The Company is controlled by D Vince and K Vince, the directors and only shareholders of the company. The directors are the ultimate controlling parties.

### 24 Purchase of subsidiary undertaking

On 9 September 2010 the company acquired 71% of the share capital of Forest Green Rovers Football Club Limited.

	£000
<b>Net assets acquired at book and fair value</b>	
Tangible fixed assets	2,351,539
Stocks	7,188
Debtors	44,522
Cash at bank and in hand	10,334
Creditors	(363,581)
Loans and finance leases	(1,251,385)
Minority shareholders' interests	(103,617)
	<hr/>
Net assets	695,000
<b>Satisfied by</b>	
Cash	695,000
	<hr/>
Goodwill	-
	<hr/>

The subsidiary undertaking acquired during the year contributed £(549,931) to the Group's net operating cash flows, paid £Nil in respect of net returns on investments and servicing of finance, paid £Nil in respect of taxation and utilised £5,000 for capital expenditure.