

**Ecotricity Group Limited**

**Directors' report and financial  
statements**

**Registered number 3521776**

**30 April 2010**

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## Directors' report

The directors present the Directors' report and financial statements for the year ended 30 April 2010

### Principal activities and review of the business

The principal activity of the Group continued to be focussed on the environment

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

During 2010/11 we expect to build our first solar park, further expanding and diversifying our renewable energy capacity. We entered the gas market during the year to April 2010, in the process offering the UK's first green gas. This marks our transition from green electricity company to 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) or environmental (constraints being placed on our ability to plan and develop wind or solar parks).

The story of the previous year was one of macro-economic instability and a global recession, which impacted the group as would be expected - this year however Ecotricity has achieved a significant financial turnaround. In the year ended 30 April 2010, turnover was £36.9 million (2009: £38.3 million) representing a decrease of 3.5% on the year before. This was due to a reduction in the average price charged to consumers, and in the amount of wind generation, year on year. Despite this, pre-tax profits increased in the year to £3.8 million (2009: £0.3 million). This was due mainly to lower wholesale electricity prices due to the effects of the recession, and the fact that a number of one off costs occurred in 08/09.

This instability in 2008/09 made it difficult to expand further the number of our wind parks in the year to April 2010, however development work has continued and one new windmill will become operational in 2010/11. 90MW of new planning applications were submitted during the year (2009: 53MW), and at the end of the year we had 33MW (2009: 22MW) of consented un-built capacity.

Retail customer growth started to increase again towards the end of the year to pre-recession levels. In addition to this, our initial customer take-up of green gas has been very encouraging. We ended the year with close to 37,000 customers, almost 5% more than April 2009. Ecotricity's six year average spend per customer, building new renewables, stands at £387 per year, more than ten times that of our closest rival.

The company has significant bank loans but net debt has reduced in the year from £47.8 million to £43.2 million. This is because repayments during the year outweighed the small amount of new debt.

A complete team of Directors is now in place bringing significant experience to all aspects of the Group's business.

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 (2009: £Nil).

### Directors

The directors who held office during the year were as follows:

D Vince

K Vince (appointed 5 November 2009)

## Directors' report (*continued*)

### Political and charitable contributions

The Company made charitable disclosures of £23,390 (2009 £1,271) 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

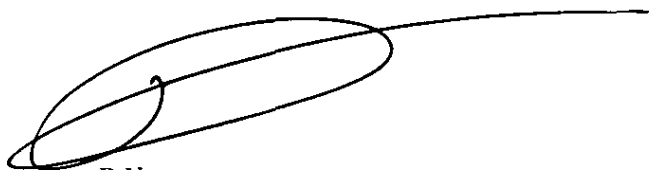
The directors who held office at the date of approval of this Directors' report confirm that, so far as each is aware, there is no relevant audit information of which the Company's auditors are unaware, and that the directors have taken all steps that they ought to have taken as directors to make themselves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

### Auditors

During the year, Griffiths Marshall resigned as auditors and KPMG LLP were appointed to fill the casual vacancy arising.

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

11 October 2010

Axiom House  
Station Road  
Stroud  
Gloucestershire  
GL5 3AP

## **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 auditors' report to the members of Ecotricity Group Limited**

We have audited the financial statements of Ecotricity Group Limited for the year ended 30 April 2010 set out on pages 8 to 30. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditors' report to the members of 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

*A. C. Antonius*

**A C Antonius (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
KPMG LLP  
100 Temple Street  
Bristol  
BS1 6AG

*13 October 2010*

**Consolidated Profit and Loss Account**  
*for the year ended 30 April 2010*

	<i>Note</i>	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
<b>Turnover</b>	<i>1</i>	<b>36,902,624</b>	<b>38,343,373</b>
Cost of sales		<b>(17,034,064)</b>	<b>(22,944,229)</b>
<b>Gross profit</b>		<b>19,868,560</b>	<b>15,399,144</b>
Administrative expenses		<b>(13,641,235)</b>	<b>(12,154,037)</b>
<b>Operating profit</b>	<i>2-4</i>	<b>6,227,325</b>	<b>3,245,107</b>
Interest receivable and similar income	<i>5</i>	<b>9,190</b>	<b>260,548</b>
Interest payable and similar charges	<i>6</i>	<b>(2,419,604)</b>	<b>(3,170,421)</b>
<b>Profit on ordinary activities before taxation</b>		<b>3,816,911</b>	<b>335,234</b>
Tax on profit on ordinary activities	<i>7</i>	<b>(1,336,562)</b>	<b>1,509,860</b>
<b>Profit on ordinary activities after taxation</b>	<i>17</i>	<b>2,480,349</b>	<b>1,845,094</b>
Minority interests	<i>18</i>	<b>2,172</b>	<b>-</b>
<b>Profit for the financial year</b>		<b>2,482,521</b>	<b>1,845,094</b>



**Consolidated Balance Sheet**  
**at 30 April 2010**

	Note	2010	2010	Restated*	Restated*
		£	£	2009	2009
<b>Fixed assets</b>					
Intangible assets	8		5,549,133		4,453,468
Tangible assets	9		82,513,599		82,705,885
Investments	10		50,227		5,665
			<u>88,112,959</u>		<u>87,165,018</u>
<b>Current assets</b>					
Stock	11	473,978		435,249	
Debtors	12	12,691,548		12,087,841	
Cash at bank and in hand		5,172,745		3,206,946	
		<u>18,338,271</u>		<u>15,730,036</u>	
<b>Creditors</b> amounts falling due within one year	13	<u>(10,093,220)</u>		<u>(8,569,174)</u>	
<b>Net current assets</b>			<u>8,245,051</u>		<u>7,160,862</u>
<b>Total assets less current assets</b>			<u>96,358,010</u>		<u>94,325,880</u>
<b>Creditors:</b> amounts falling due after more than one year					
	14		(45,027,467)		(47,567,269)
<b>Provisions for liabilities</b>	15		<u>(3,301,261)</u>		<u>(1,968,450)</u>
<b>Net assets</b>			<u>48,029,282</u>		<u>44,790,161</u>
<b>Capital and reserves</b>					
Called up share capital	16		2		2
Capital redemption reserve	17		1		1
Revaluation reserve	17		35,446,768		38,006,390
Profit and loss account	17		12,586,931		6,783,768
	17		<u>48,033,702</u>		<u>44,790,161</u>
Minority interests	18		<u>(4,420)</u>		<u>-</u>
<b>Total shareholder's funds</b>			<u>48,029,282</u>		<u>44,790,161</u>

\* Restated for reclassification of bond (see note 14) and prior year adjustment relating to tangible fixed assets (see note 9)

These financial statements were approved by the board of directors on 11 October 2010 and were signed by

  
D Vince  
Director

Company registered number 3521776

**Company Balance Sheet**  
*at 30 April 2010*

	<i>Note</i>	<b>2010</b> £	<b>2010</b> £	<b>2009</b> £	<b>2009</b> £
<b>Fixed assets</b>					
Intangible assets	8		2,540,933		2,741,533
Tangible assets	9		5,831,857		5,131,424
Investments	10		699,842		254,191
			<u>9,072,632</u>		<u>8,127,148</u>
<b>Current assets</b>					
Debtors	12	11,901,765		9,972,975	
Cash at bank and in hand		63,633		15,456	
		<u>11,965,398</u>		<u>9,988,431</u>	
<b>Creditors</b> amounts falling due within one year	13	(19,605,567)		(16,865,753)	
<b>Net current liabilities</b>			(7,640,169)		(6,877,322)
<b>Total assets less current liabilities</b>			<u>1,432,463</u>		<u>1,249,826</u>
<b>Creditors</b> amounts falling due after more than one year	14		(855,173)		(668,785)
<b>Provisions for liabilities</b>	15		(252,384)		(182,528)
<b>Net assets</b>			<u>324,906</u>		<u>398,513</u>
<b>Capital and reserves</b>					
Called up share capital	16		2		2
Capital redemption reserve	17		1		1
Profit and loss account	17		324,903		398,510
<b>Equity</b>			<u>324,906</u>		<u>398,513</u>

These financial statements were approved by the board of directors on 11 October 2010 and were signed by

  
D Vince  
Director

Company registered number 3521776

## Consolidated Cash Flow Statement for the year ended 30 April 2010

	Note	2010 £	2009 £
<b>Reconciliation of operating profit to net cash flow from operating activities</b>			
Operating profit		6,227,325	3,245,107
Depreciation charges		3,518,891	3,322,561
Amortisation charges		215,079	242,467
Loss on sale of fixed assets		76,168	1,182
Decrease/(increase) in stocks		11,664	(81,539)
(Increase)/decrease in debtors		(603,460)	9,445,878
Increase/(decrease) in creditors		1,518,303	(8,271,959)
<b>Net cash inflow from operating activities</b>		<b>10,963,970</b>	<b>7,903,697</b>
<b>Cash flow statement</b>			
Cash flow from operating activities		10,963,970	7,903,697
Returns on investments and servicing of finance	21	(2,410,414)	(2,909,873)
Taxation		-	(87,075)
Capital expenditure and financial investment	21	(3,647,058)	(10,387,524)
Cash inflow/(outflow) before management of liquid resources and financing		4,906,498	(5,480,775)
Financing	21	(2,621,270)	(2,067,568)
Acquisitions and Disposals		(319,429)	(100)
<b>Increase/(decrease) in cash in the period</b>		<b>1,965,799</b>	<b>(7,548,443)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase/(decrease) in cash in the period	22	1,965,799	(7,548,443)
Change in net debt resulting from cash flows		2,750,648	1,766,747
New finance leases		(129,378)	376,855
<b>Movement in net debt in the period</b>		<b>4,587,069</b>	<b>(5,404,841)</b>
Net debt at the start of the period	22	(47,765,442)	(42,360,601)
<b>Net debt at the end of the period</b>	<b>22</b>	<b>(43,178,373)</b>	<b>(47,765,442)</b>

\* Restated for reclassification of the bond (see note 14)

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

	2010 £	2009 £
Reported profit on ordinary activities before taxation	3,816,911	335,234
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	3,320,642	-
Historical cost profit on ordinary activities before taxation	7,137,553	335,234
Historical cost profit for the year retained after taxation and dividends	5,800,991	1,845,094

**Group Statement of Total Recognised Gains and Losses**  
*for the year ended 30 April 2010*

	2010 £	Restated 2009 £
Profit for the financial year	2,482,521	1,845,094
Unrealised surplus on revaluation of properties	761,020	5,070,844
Total recognised gains and losses relating to the financial year	3,243,541	6,915,938
Prior year adjustment	6,430,093	
Total gains and losses recognised since the last annual report	9,673,634	6,915,938

**Reconciliation of Movements in Shareholders' Funds**  
*for the year ended 30 April 2010*

	2010 £	Restated 2009 £
Profit for the financial year	2,482,521	1,845,094
Unrealised surplus on revaluation of properties	761,020	5,070,844
Net addition to shareholders' funds	3,243,541	6,915,938
Opening shareholders' (originally £36,360,068 before adding prior year adjustment of £6,430,093)	44,790,161	37,874,223
Closing shareholders' funds	48,033,702	44,790,161

## 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

The group balance sheet as at 30 April 2009 has been restated for two matters. A bond issue of £1,441,000 has been restated from amounts due in less than one year to amounts due in greater than one year as described in note 14. A prior year error has been corrected relating to tangible fixed assets which has increased the prior year net assets by £6,430,093 as described in note 9.

#### *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. 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 2010. 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 group's 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

	2010 £	2009 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Depreciation of tangible fixed assets	3,518,891	3,322,561
Amortisation of intangible fixed assets	215,079	242,467
Loss on disposal of tangible assets	76,168	1,182
Net loss due to foreign exchange transactions	4,708	14,463
Operating lease rentals	416,559	206,976
	<u>          </u>	<u>          </u>
<i>Auditors' remuneration</i>		
	2010 £	2009 £
Audit of these financial statements	8,000	-
Amounts receivable by the current auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	58,000	-
Other services relating to taxation	15,700	-
All other services	75,000	-
	<u>          </u>	<u>          </u>
Amounts receivable by the previous auditors and their associates in respect of		
Audit of these financial statements and those of subsidiaries pursuant to legislation	-	19,731
Other services relating to taxation	-	9,940
All other services	-	22,130
	<u>          </u>	<u>          </u>



**Notes (continued)**

**3 Remuneration of directors**

	2010 £	2009 £
Directors' emoluments	<u>130,400</u>	<u>65,000</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	
	2010	2009
Administration	<u>163</u>	<u>160</u>

The aggregate payroll costs of these persons were as follows

	2010 £	2009 £
Wages and salaries	4,783,508	3,934,843
Social security costs	515,526	448,484
Other pension costs	<u>86,034</u>	<u>65,910</u>
	<u>5,385,068</u>	<u>4,449,237</u>

**5 Other interest receivable and similar income**

	2010 £	2009 £
Bank interest receivable	<u>9,190</u>	<u>260,548</u>

**Notes (continued)**

**6 Interest payable and similar charges**

	2010 £	2009 £
On bank loans and overdrafts	2,419,604	3,170,421
	<u>2,419,604</u>	<u>3,170,421</u>

**7 Taxation**

*Analysis of charge in period*

	2010 £	2009 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	(3,292)
Adjustments in respect of prior periods	-	83,339
	<u>-</u>	<u>80,047</u>
Total current tax	-	80,047
<i>Deferred tax (see note 15)</i>		
Origination/reversal of timing differences	877,805	(1,589,907)
Adjustment in respect of previous years	458,757	-
	<u>1,336,562</u>	<u>(1,589,907)</u>
Total deferred tax	1,336,562	(1,589,907)
	<u>1,336,562</u>	<u>(1,509,860)</u>
Tax on profit on ordinary activities	1,336,562	(1,509,860)
	<u>1,336,562</u>	<u>(1,509,860)</u>

## Notes (continued)

### 7 Taxation (continued)

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

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

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,816,911	335,234
Current tax at 21% (2009 21%)	801,551	70,399
<i>Effects of</i>		
Income not taxable for tax purposes	(8,663)	-
Expenses not deductible for tax purposes	74,697	982,339
Capital allowances for period in excess of depreciation	(854,362)	(1,752,078)
Utilisation of tax losses	-	765,109
Other tax adjustments	-	14,278
Unrelieved tax losses not recognised	(13,223)	-
Total current tax charge (see above)	-	80,047

### 8 Intangible fixed assets

Group	Development wind assets	Brand name	Goodwill	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	1,711,935	3,009,000	-	4,720,935
Additions	963,258	-	347,486	1,310,744
At end of year	2,675,193	3,009,000	347,486	6,031,679
<i>Amortisation</i>				
At beginning of year	-	267,467	-	267,467
Charged in year	-	200,600	14,479	215,079
At end of year	-	468,067	14,479	482,546
<i>Net book value</i>				
At 30 April 2010	2,675,193	2,540,933	333,007	5,549,133
At 30 April 2009	1,711,935	2,741,533	-	4,453,468

## Notes (continued)

### 8 Intangible fixed assets (continued)

On 1 December 2009 the Company acquired 89.7% of the ordinary shares of Ecotopia Limited. The resulting goodwill of £347,486 was capitalised and will be written off over 10 years.

	Book value £	Fair value adjustments £	Fair value £
<b>Fixed assets</b>			
Tangible	2,515	-	2,515
<b>Current assets</b>			
Stock	50,393	-	50,393
Debtors	247	-	247
Cash	8,571	-	8,571
<b>Total assets</b>	<u>61,726</u>	<u>-</u>	<u>61,726</u>
<b>Liabilities</b>			
Creditors	(128,485)	45,025	(83,460)
<b>Total liabilities</b>	<u>(128,485)</u>	<u>45,025</u>	<u>(83,460)</u>
<b>Net liabilities</b>	<u>(66,759)</u>	<u>45,025</u>	<u>(21,734)</u>
Minority interest			2,248
<b>Share of net liabilities</b>			<u>(19,486)</u>
<b>Goodwill</b>			347,486
<b>Purchase consideration</b>			<u>328,000</u>

The acquired undertaking made a loss of £32,166 from the beginning of its financial year to the date of acquisition. In its previous financial year commencing on 1 April 2008 the loss was £184,720. Since 1 December 2009 a further 4.3% of Ecotopia Limited has been acquired at a cost of £72,800.

## Notes (continued)

### 8 Intangible fixed assets (continued)

<i>Company</i>	<b>Brand name</b>
	<b>£</b>
<i>Cost</i>	
At beginning of year	3,009,000
Additions	-
	<hr/>
At end of year	3,009,000
	<hr/>
<i>Amortisation</i>	
At beginning of year	267,467
Charged in year	200,600
	<hr/>
At end of year	468,067
	<hr/>
<i>Net book value</i>	
At 30 April 2010	2,540,933
	<hr/>
At 30 April 2009	2,741,533
	<hr/>

## Notes (continued)

### 9 Tangible fixed assets

<i>Group</i>	<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	2,217,556	73,655,851	5,168,216	782,480	-	81,824,103
Prior year adjustment	-	6,430,093	-	-	-	6,430,093
As restated	2,217,556	80,085,944	5,168,216	782,480	-	88,254,196
Additions	137,854	167,669	1,219,690	233,940	1,000,624	2,759,777
Disposals	(124,455)	(105,000)	(67,582)	(61,968)	-	(359,005)
Revaluations	-	591,456	-	-	-	591,456
At end of year	2,230,955	80,740,069	6,320,324	954,452	1,000,624	91,246,424
<b>Depreciation</b>						
At beginning of year	154,587	3,888,102	1,346,519	159,103	-	5,548,311
Charge for year	43,411	2,777,142	651,879	46,459	-	3,518,891
On disposals	(16,800)	(45,938)	(63,850)	(38,225)	-	(164,813)
Revaluations	-	(169,564)	-	-	-	(169,564)
At end of year	181,198	6,449,742	1,934,548	167,337	-	8,732,825
<b>Net book value</b>						
At 30 April 2010	2,049,757	74,290,327	4,385,776	787,115	1,000,624	82,513,599
At 30 April 2009	2,062,969	76,197,842	3,821,697	623,377	-	82,705,885

During the year management identified that the valuation carried out at 30 April 2009 had inadvertently omitted a material amount. The comparative amount has been corrected which has led to an increase in the net book value of tangible fixed assets of £6,430,093. This adjustment has no effect on the profit for the comparative year.

Included in the total net book value of plant and machinery is £2,663,136 (2009 £3,052,709) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £407,954 (2009 £438,950).

Included in the total net book value of motor vehicles is £4,236 (2009 £8,145) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,909 (2009 £3,869).

Included in the total net book value of freehold land and buildings is £80,079 (2009 £80,709) 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

	2010 £	2009 £
At full valuation	77,873,175	77,137,852
Aggregate depreciation thereon	(6,127,683)	(3,720,767)
Net book value	<u>71,745,492</u>	<u>73,417,085</u>
Historical cost of revalued assets	43,874,768	43,730,901
Aggregate depreciation thereon	(7,576,044)	(6,130,792)
Historical cost net book value	<u>36,298,724</u>	<u>37,600,109</u>

Full valuations were performed for wind parks 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 2010 by management for Shooters Bottom Wind Park Limited resulting in a revaluation. The directors are not aware of any further material change in valuations.

<i>Company</i>	Freehold buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Assets in course of construction	Total
	£	£	£	£	£	£
<b>Cost</b>						
At beginning of year	1,562,057	105,000	3,435,781	782,180	-	5,885,018
Additions	109,382	-	1,132,090	-	683,945	1,925,417
Disposals	(124,455)	(105,000)	(170)	(560,421)	-	(790,046)
At end of year	<u>1,546,984</u>	<u>-</u>	<u>4,567,701</u>	<u>221,759</u>	<u>683,945</u>	<u>7,020,389</u>
<b>Depreciation</b>						
At beginning of year	108,765	37,188	448,837	158,804	-	753,594
Charge for year	30,108	8,750	450,415	46,459	-	535,732
On disposals	(16,800)	(45,938)	(131)	(37,925)	-	(100,794)
At end of year	<u>122,073</u>	<u>-</u>	<u>899,121</u>	<u>167,338</u>	<u>-</u>	<u>1,188,532</u>
<b>Net book value</b>						
At 30 April 2010	<u>1,424,911</u>	<u>-</u>	<u>3,668,580</u>	<u>54,421</u>	<u>683,945</u>	<u>5,831,857</u>
At 30 April 2009	<u>1,453,292</u>	<u>67,812</u>	<u>2,986,944</u>	<u>623,376</u>	<u>-</u>	<u>5,131,424</u>

## Notes (continued)

### 9 Tangible fixed assets (continued)

Included in the total net book value of motor vehicles is £4,236 (2009 £8,145) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,909 (2009 £3,869).

### 10 Fixed asset investments

<i>Group</i>	Listed Investments £
<i>Cost</i>	
At beginning of year	5,665
Additions	44,562
	<hr/>
At end of year	50,227
	<hr/>
<i>Net book value</i>	
At 30 April 2010	50,227
	<hr/>
At 30 April 2009	5,665
	<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
<i>Subsidiary undertakings</i>			
Lynch Knoll Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Ecotech Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Somerton Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Merchant Wind Park (East Kilbride) Limited <sup>1</sup>	UK	Wind park	100%
Bambers Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Bankers Extension Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Mablethorpe Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Swaffham Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Dagenham Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Green Park Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Dundee Merchant Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Bristol Port Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Fen Farm Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Shooters Bottom Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Worksop Wind Park Limited <sup>1</sup>	UK	Wind park	100%
Next Generation Wind Holdings Limited <sup>1</sup>	UK	Holding company	100%
Wind Holdings Nord Limited <sup>1</sup>	UK	Holding company	100%
Next Generation Limited	UK	Holding company	100%
New Power Company Limited <sup>1</sup>	UK	Holding company	100%
Western Wind Power Limited	UK	Manufacturing	100%
Eco Cars Limited	UK	Development	100%
The Renewable Energy Company Limited	UK	Supplier	100%
Ecotopia Limited	UK	Internet retailer	94%

Note 1 – shares held by subsidiary company

### 11 Stocks

<i>Group</i>	2010 £	2009 £
Raw materials and consumables	284,384	261,147
Finished goods and goods for resale	189,594	174,102
	<u>473,978</u>	<u>435,249</u>

## Notes (continued)

### 12 Debtors

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Trade debtors	3,768,630	11,470,170	1,909	-
Amounts owed by group undertakings	-	-	11,411,108	5,670,224
Other debtors	3,875,467	298,325	488,748	4,290,000
Prepayments and accrued income	5,047,451	316,054	-	12,751
Corporation tax	-	3,292	-	-
	<u>12,691,548</u>	<u>12,087,841</u>	<u>11,901,765</u>	<u>9,972,975</u>

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

	Group 2010 £	Restated Group 2009 £	Company 2010 £	Company 2009 £
Bank loans and overdrafts	2,789,411	2,841,129	62,089	101,186
Obligations under finance leases and hire purchase contracts (see note 14)	534,240	563,990	534,240	542,009
Trade creditors	2,753,235	2,057,962	301,761	101,364
Amounts owed to group undertakings	-	-	17,588,560	15,555,427
Taxation and social security	342,447	127,902	123,910	474,487
Other creditors	1,245,805	871,885	789,196	13,600
Accruals and deferred income	2,424,331	2,106,306	202,060	77,680
Corporation tax	3,751	-	3,751	-
	<u>10,093,220</u>	<u>8,569,174</u>	<u>19,605,567</u>	<u>16,865,753</u>

Restatement relating to reclassification of bond, see note 14

Notes (continued)

14 Creditors. amounts falling due after more than one year

	Group 2010 £	Restated Group 2009 £	Company 2010 £	Company 2009 £
Bank loans	43,130,992	45,829,922	399,698	372,438
Bond	1,441,000	1,441,000	-	-
Obligations under finance leases and hire purchase contracts	455,475	296,347	455,475	296,347
	<u>45,027,467</u>	<u>47,567,269</u>	<u>855,173</u>	<u>668,785</u>

In the prior year the bond obligation of £1,441,000 had been classified within amounts falling due within one year instead of within amounts falling due after more than one year. In accordance with the repayment terms the bond has been reclassified in the prior year to amounts falling due after more than one year. The terms of the bond require it to be redeemed at par on 15 December 2011. Interest of 7% (2009 7%) per annum is payable. This reclassification has no effect on net assets or the profit for the comparative year. In addition to the above the bond has now been included within net debt in the cash flow statement. This change has increased the opening and closing net debt but has no effect on the decrease in cash in the comparative period.

Included in the bank loans and overdrafts category are a number of loans. These are repayable by instalments between 2010 and 2027 and interest rates between base rate + 1.1% and 7% 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 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Within one year	534,240	563,990	534,240	542,009
In the second to fifth years	455,475	296,347	455,475	296,347
Over five years	-	-	-	-
	<u>989,715</u>	<u>860,337</u>	<u>989,715</u>	<u>838,356</u>

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

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Within one year	2,789,411	2,841,129	62,089	101,186
In the second to fifth years	12,865,444	10,298,734	214,190	186,930
Over five years	30,265,548	35,531,188	185,508	185,508
	<u>45,920,403</u>	<u>48,671,051</u>	<u>461,787</u>	<u>473,624</u>

## Notes (continued)

### 15 Provisions for liabilities

	Group £	Company £
<i>Deferred taxation</i>		
At beginning of year	1,968,450	182,528
Charge to the profit and loss for the year (note 7)	1,336,562	73,607
Transfer	(3,751)	(3,751)
	<u>          </u>	<u>          </u>
<b>At end of year</b>	<b>3,301,261</b>	<b>252,384</b>
	<u>          </u>	<u>          </u>

The elements of deferred taxation are as follows

	Group 2010 £	Group 2009 £	Company 2010 £	Company 2009 £
Difference between accumulated depreciation and amortisation and capital allowances	3,301,261	1,968,450	252,384	182,528
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 16 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>          </u>	<u>          </u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

### 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	31,576,297	6,783,768	38,360,068
Prior year adjustment (see note 9)	-	-	6,430,093	-	6,430,093
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2	1	38,006,390	6,783,768	44,790,161
Profit for the year	-	-	-	2,482,521	2,482,521
Revaluation in year (note 9)	-	-	761,020	-	761,020
Transfer from revaluation reserve	-	-	(3,320,642)	3,320,642	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>At end of year</b>	<b>2</b>	<b>1</b>	<b>35,446,768</b>	<b>12,586,931</b>	<b>48,033,702</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

## 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	398,510	398,513
Loss for the year	-	-	(73,607)	(73,607)
<b>At end of year</b>	<b>2</b>	<b>1</b>	<b>324,903</b>	<b>324,906</b>

### 18 Minority interests

	2010 £	2009 £
<i>Group</i>		
At beginning of year	-	-
Acquisition of subsidiary undertaking	(2,248)	-
Share of loss for year	(2,172)	-
<b>At end of year</b>	<b>(4,420)</b>	<b>-</b>

### 19 Commitments

(a) Capital commitments at the end of the financial year, for which no provision has been made, are £759,000 as at 30 April 2010 (30 April 2009 £nil)

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

	2010 Land and buildings £	Other £	2009 Land and buildings £	Other £
<i>Group</i>				
Operating leases which expire				
Within one year	83,119	-	-	-
In the second to fifth years inclusive	5,850	-	83,119	-
Over five years	327,590	-	123,857	-
	<b>416,559</b>	<b>-</b>	<b>206,976</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 £86,034 (2009 £65,910). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

## Notes (continued)

### 21 Analysis of cash flows

	2010 £	2010 £	2009 £	2009 £
<b>Returns on investment and servicing of finance</b>				
Interest received	9,190		260,548	
Interest paid	(2,419,604)		(3,170,421)	
		(2,410,414)		(2,909,873)
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets	(2,757,262)		(7,097,362)	
Purchase of intangible fixed assets	(963,258)		(3,300,935)	
Purchase of investment	(44,562)		-	
Sale of tangible fixed assets	118,024		10,773	
		(3,647,058)		(10,387,524)
<b>Financing</b>				
Draw down of new long term bank loan	-		2,100,000	
Repayment of bank loans	(2,750,648)		(3,788,910)	
Capital element of finance lease and hire purchase contracts	129,378		(378,658)	
		(2,621,270)		(2,067,568)

### 22 Analysis of net debt

	At beginning of year	Cash flow £	Non-cash £	At end of year £
Cash in hand, at bank	3,206,946	1,965,799	-	5,172,745
Overdrafts	(66,632)	50,142	-	(16,490)
	3,140,314	2,015,941	-	5,156,255
Debt due within one year	(2,774,497)	2,774,497	(2,772,921)	(2,772,921)
Debt due after one year	(47,270,922)	(73,991)	2,772,921	(44,571,992)
Finance leases	(860,337)	(129,378)	-	(989,715)
<b>Total</b>	(47,765,442)	4,587,069	-	(43,178,373)

### 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.

During the year the Company purchased 89.7% (see note 8) of the ordinary shares of Ecotopia Limited, at fair value, from Dale Vince who was a Director of Ecotopia Limited at that time. The directors have use of a property owned by the Group.