

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
31 MARCH 2015

LAMONT PRIDMORE

Chartered Accountants & Statutory Auditor
136 Highgate
Kendal
Cumbria
LA9 4HW

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr R Arbuckle
Ms M McMillin
Mr A McMurray
Mr P Phare
Mrs A Ford
Mr D McIlldoon
Mrs T O'Hara
Mr J McMullan

Registered office

54 Elmwood Avenue
Belfast
BT9 6AZ

Correspondence address

Unit 26, Trinity Enterprise Centre
Furness Business Park
Barrow in Furness
Cumbria
LA14 2PN

Auditor

Lamont Pridmore
Chartered Accountants
& Statutory Auditor
136 Highgate
Kendal
Cumbria
LA9 4HW

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements of the Co-operative for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Co-operative is that of the generation of electricity from renewable sources.

DIRECTORS

The directors who served the Co-operative during the year were as follows:

Mr N Brady	Retired 17/09/2014
Mr R Arbuckle	
Mr D Morrow	Retired 17/09/2014
Ms M McMillin	
Mr A McMurray	
Mr P Phare	
Mr A Ford	Appointed 17/09/2014
Mr D McIlldoon	Appointed 17/09/2014
Mrs T O'Hara	Appointed 17/09/2014
Mr J McMullan	Appointed 17/09/2014

In accordance with the Co-operative's rules of Association, Ms M McMillin and Mr R Arbuckle retire by rotation. Mr R Arbuckle will seek re-election.

DIRECTORS' RESPONSIBILITIES

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

The rules of the Co-operative require the directors to prepare financial statements for each financial year. Under those rules the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under the rules of the Co-operative 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 Co-operative and of the profit or loss of the Co-operative for that year.

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Co-operative's transactions and disclose with reasonable accuracy at any time the financial position of the Co-operative and enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act (Northern Ireland) 1969. They are also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

In so far as the directors are aware:

- there is no relevant audit information of which the Co-operative's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

AUDITOR

Lamont Pridmore have agreed to offer themselves for re-appointment as auditors of the Co-operative.

Registered office:
54 Elmwood Avenue
Belfast
BT9 6AZ

Signed by order of the directors

MRS A HESLOP

COMPANY SECRETARY

Approved by the directors on

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Drumlin Wind Energy Co-operative Limited for the period ended 31 March 2015 as set out on pages 6 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Co-operative's members, as a body, in accordance with the Industrial and Provident Societies Act (Northern Ireland) 1969. Our audit work has been undertaken so that we might state to the Co-operative'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 Co-operative and the Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31 March 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Act (Northern Ireland) 1969.

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED *(continued)*

YEAR ENDED 31 MARCH 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Act (Northern Ireland) 1969 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

G W LAMONT (Senior Statutory Auditor)
For and on behalf of
LAMONT PRIDMORE
Chartered Accountants & Statutory Auditor

136 Highgate
Kendal
Cumbria
LA9 4HW

DATED:

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	2015 £	2014 £
TURNOVER		279,972	32,929
Cost of sales		<u>153,918</u>	<u>8,068</u>
GROSS PROFIT		126,054	24,861
Administrative expenses		<u>51,965</u>	7,004
OPERATING PROFIT	2	74,089	17,857
Interest receivable		1,975	2,380
Interest payable and similar charges		<u>(12,596)</u>	–
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		63,468	20,237
Tax on profit on ordinary activities	3	1,193	15,973
PROFIT FOR THE FINANCIAL YEAR		<u>62,275</u>	<u>4,264</u>

The notes on pages 8 to 11 form part of these financial statements.

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

BALANCE SHEET *(continued)*

31 MARCH 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	4	<u>3,675,074</u>	<u>2,605,705</u>
CURRENT ASSETS			
Debtors	5	509,921	178,097
Investments	6	1,001	1
Cash at bank		<u>132,453</u>	<u>193,812</u>
		643,375	371,910
CREDITORS: Amounts falling due within one year	7	<u>259,831</u>	<u>241,967</u>
NET CURRENT ASSETS		383,544	129,943
TOTAL ASSETS LESS CURRENT LIABILITIES		4,058,618	2,735,648
CREDITORS: Amounts falling due after more than one year	8	169,601	–
PROVISIONS FOR LIABILITIES			
Deferred taxation	9	<u>18,669</u>	<u>17,476</u>
		<u>3,870,348</u>	<u>2,718,172</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	3,870,348	2,707,898
Profit and loss account	12	–	<u>10,274</u>
MEMBERS' FUNDS		<u>3,870,348</u>	<u>2,718,172</u>

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on, and are signed on their behalf by:

Ms M McMillin
Director

Mr P Phare
Director

Company Registration Number: IP000398

The notes on pages 8 to 11 form part of these financial statements.

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 5% straight line

Assets under construction are not depreciated until they come into use.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2015 £	2014 £
Auditor's fees	2,000	1,350
Net loss on foreign currency translation	31,212	-

3. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2015 £	2014 £
Deferred tax:		
Origination and reversal of timing differences (note 9)		
Capital allowances	162,260	95,299
Losses	<u>(161,067)</u>	<u>(79,326)</u>
Total deferred tax (note 9)	<u>1,193</u>	<u>15,973</u>

4. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Assets Under Construction £	Total £
COST			
At 1 April 2014	1,582,095	1,029,614	2,611,709
Additions	264,390	903,111	1,167,501
Transfers	<u>1,012,095</u>	<u>(1,012,095)</u>	-
At 31 March 2015	<u>2,858,580</u>	<u>920,630</u>	<u>3,779,210</u>
DEPRECIATION			
At 1 April 2014	6,004	-	6,004
Charge for the year	<u>98,132</u>	-	<u>98,132</u>
At 31 March 2015	<u>104,136</u>	-	<u>104,136</u>
NET BOOK VALUE			
At 31 March 2015	<u>2,754,444</u>	<u>920,630</u>	<u>3,675,074</u>
At 31 March 2014	<u>1,576,091</u>	<u>1,029,614</u>	<u>2,605,705</u>

At 31 March 2015 the Co-operative had authorised and contracted for further capital expenditure amounting to £697,000 (2014 £246,969).

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

5. DEBTORS

	2015	2014
	£	£
VAT recoverable	38,203	55,589
Other debtors	471,718	122,508
	<u>509,921</u>	<u>178,097</u>

Included within other debtors is £282,351 (2014 £80,000) which Energy4All Limited are holding on trust on behalf of Drumlin Wind Energy Co-operative Limited.

6. INVESTMENTS

	2015	2014
	£	£
Other investments	1,001	1

1 £1 ordinary share in Energy4All Limited.
£1,000 Northern Ireland Community Energy Limited

7. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Bank loans and overdrafts	132,224	–
Trade creditors	27,570	34,758
Other creditors	100,037	207,209
	<u>259,831</u>	<u>241,967</u>

8. CREDITORS: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	169,601	–

Ulster Community Investment Trust hold a floating charge over the assets of the Co-operative in respect of the loan balance.

9. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2015	2014
	£	£
Provision brought forward	17,476	1,503
Profit and loss account movement arising during the year	1,193	15,973
	<u>18,669</u>	<u>17,476</u>

DRUMLIN WIND ENERGY CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

9. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2015 £	2014 £
Excess of taxation allowances over depreciation on fixed assets	271,046	108,787
Tax losses available	<u>(252,378)</u>	<u>(91,311)</u>
	<u>18,669</u>	<u>17,476</u>

10. RELATED PARTY TRANSACTIONS

There is no controlling interest in the Co-operative.

The management services of the Co-operative are carried out by Energy4All Limited, a company which specialises in assisting the setting up, development and management of renewable energy Co-operatives. During the period charges in respect of this work amounted to £43,540 (2014 £21,240). The Co-operative was also charged by Energy4All Limited a final development fee of £40,000 (2014 £10,000).

During the period the Co-operative incurred costs amounting to £130,492 (2014 £455) charged from NRG Wind Solutions Limited, Mr A McMurray a director of Drumlin Wind Energy Co-operative Limited is also a director of NRG Wind Solutions Limited.

Ms M McMillin is a director of Drumlin Wind Energy Co-operative Limited and also a director of Energy4All Limited.

Mr D McIlldoon is a director of Drumlin Wind Energy Co-operative Limited and also a director of Ulster Community Investment Trust. At 31 March 2015 Drumlin Wind Energy Co-operative had an outstanding loan balance due to Ulster Community Investment Trust of £281,601.

11. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>3,870,348</u>	<u>3,870,348</u>	<u>2,707,898</u>	<u>2,707,898</u>

12. PROFIT AND LOSS ACCOUNT

	2015 £	2014 £
Balance brought forward	10,274	6,010
Profit for the financial year	62,275	4,264
Members share interest	<u>(72,549)</u>	-
Balance carried forward	<u>-</u>	<u>10,274</u>