

Polwhat Rig Windfarm Limited
Directors' Report & Financial Statements
Year ended 31st March 2002



Registered No. SC149113

Directors' Report and Financial Statements

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Polwhat Rig Windfarm Limited

Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31st March 2002.

Principal Activities

The principal activities of the Company are the holding of bonds associated with the construction of a windfarm at Polwhat Rig, Scotland.

The Company has not carried out any activities in the field of research and development.

Business Review

The company did not trade during the year. The expenses of the company such as filing and audit fees have been and will continue to be met by the parent undertaking. The only income is from interest receivable.

Results

The profit for the year before tax was £694 (2001: £1,736). The directors do not recommend the payment of a dividend (2001: nil).

Directors and Directors' Interests

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

Mr J Sainsbury
Mr J Dowler
Mr A G Moore

None of the Directors held any interest in any shares in, or debentures of, the Company or the parent undertaking at the end of the financial year.

No right to subscribe for shares in, or debentures of, the Company or the parent undertaking was granted to or exercised by any Director of the Company, or any member of his immediate family during the financial year.

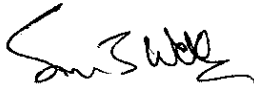
Polwhat Rig Windfarm Limited

Directors' Report (Continued)

Auditors

Pursuant to Section 386 of the Companies Act 1985, the Company has dispensed with the obligation to appoint auditors annually.

By order of the Board



Simon Wells
Company Secretary

Dated 29/7/02

4 North Charlotte St
Edinburgh
Scotland
EH4 4HT

Directors' Responsibilities**In respect of the preparation of the financial statements**

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLWHAT RIG WIND FARM LIMITED

We have audited the financial statements on pages 6 to 10.

Respective responsibilities of directors and auditors.

The directors are responsible for preparing the directors' report and, as described on page 3 of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

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

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

Polwhat Rig Windfarm Limited

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants
Registered Auditor

8 Salisbury Square
London EC4Y 8BB

Dated

30 July 2002

Polwhat Rig Windfarm Limited

**Profit & Loss Account for the year ended
31 March 2002**

	Note	2002 £	2001 £
Interest Receivable	2	<u>694</u>	<u>1,736</u>
Profit on ordinary activities before taxation	3	694	1,736
Tax on profit on ordinary activities	4	<u>(230)</u>	<u>(520)</u>
Retained profit for the financial year		<u><u>464</u></u>	<u><u>1,216</u></u>

There were no recognised gains or losses (2001:nil) other than the retained profit for the financial year.

All items in the profit and loss account relate to continuing operations.

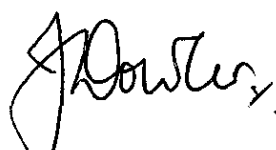
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Balance Sheet
at 31 March 2002

	Note	2002 £	2001 £
Current assets			
Debtors	5	1,200	1,200
Cash at bank and in hand		<u>70,162</u>	<u>69,468</u>
Total current assets		71,362	70,668
Creditors : amounts falling due within one year	6	<u>(63,172)</u>	<u>(62,942)</u>
Net Assets		<u>8,190</u>	<u>7,726</u>
Capital and reserves			
Called up share capital	7	1,200	1,200
Profit and loss account	8	<u>6,990</u>	<u>6,526</u>
Equity shareholders' funds	9	<u>8,190</u>	<u>7,726</u>

The financial statements were approved by the Board of Directors on 30/7/2002
and signed on its behalf by:


Mr A G Moore
Director


Mr J Dowler
Director

Polwhat Rig Windfarm Limited

Notes to the accounts

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

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

Financial Reporting Standard 1 (revised)

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Directors and Employees

None of the Directors received any remuneration during the year (2001: £Nil) in respect of their services to the company. The company did not have any employees during the year (2001 : Nil).

2. Interest receivable & similar income	2002	2001
	£	£
Bank interest receivable	<u>694</u>	<u>1,736</u>

3. Profit on ordinary activities before taxation

Auditors remuneration for 2002 and 2001 was paid by fellow group undertaking

4. Tax on profit on ordinary activities	2002	2001
	£	£
Corporation tax @ 30%	<u>230</u>	<u>520</u>

5. Debtors	2002	2001
	£	£
Amounts owed by parent undertaking	<u>1,200</u>	<u>1,200</u>

Polwhat Rig Windfarm Limited

6. Creditors : amounts falling due within one year	2002	2001
	£	£
Amounts owed to parent company	62,942	61,251
Other creditors including tax & social security	230	1,691
	<u>63,172</u>	<u>62,942</u>
 7. Called up share capital	 2002	 2001
	£	£
Authorised, allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>
 8. Profit and loss account	 2002	 2001
	£	£
Retained profits brought forward	6,526	5,310
Retained profits for the current year	464	1,216
Retained profits carried forward	<u>6,990</u>	<u>6,526</u>
 9. Reconciliation of movements in shareholders' funds	 2002	 2001
	£	£
Opening shareholders' funds	7,726	6,510
Profit in the year	464	1,216
Closing shareholders' funds	<u>8,190</u>	<u>7,726</u>

10. Parent Undertaking

The company's immediate and ultimate parent undertaking is Windy Standard Limited, a company incorporated in Great Britain and registered in Scotland.

The financial statements of Windy Standard Limited are available to the public and may be obtained from Riverside House, Meadowbank, Furlong Road, Bourne End, Buckinghamshire SL8 5AJ.

11. Related Party Disclosures

Under Financial Reporting Standard 8, the company is exempt from the requirements to disclose transactions with fellow subsidiary undertakings as more than 90% of its voting rights are controlled within the group.