

Polwhat Rig Wind Farm Limited

Directors' Report & Financial Statements

For the Nine Month Period Ended 31 December 2002

Registered No. SC149113



Directors' Report and Financial Statements for the nine month period ended 31 December 2002

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Polwhat Rig Wind Farm Limited

Directors' Report

The Directors present their annual report and audited financial statements for the nine month period ended 31 December 2002.

Principal Activities & Business Review

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

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 and Dividends

The Company's profit for the 9 month period ended 31 December 2002 is £360 (year ended 31 March 2002 : £464). The directors do not recommend the payment of a dividend (year ended 31 March 2002 : £nil). Accordingly, £360 is transferred to reserves.

Directors and their Interests

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

Mr J Sainsbury

Mr J Dowler (resigned 27 September 2002)

Mr A G Moore

Mr N Emery (appointed 27 September 2002)

According to the register required to be kept under Section 325 of the Companies Act 1985 none of the Directors of the Company at 31 December 2002 held any interest in the share options or debentures of group companies incorporated in the United Kingdom, at 31 December 2002. As permitted by statutory instrument, the register does not include shareholdings of Directors in companies incorporated outside Great Britain.

Polwhat Rig Wind Farm Limited

Directors' Report (Continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

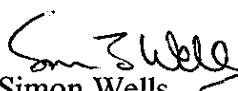
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the nine month period ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Following the resignation of KPMG Audit plc on 11 November 2002 PricewaterhouseCoopers were appointed as auditors of the Company. On 1 January 2003, PricewaterhouseCoopers converted to a limited liability partnership (LLP) by transferring substantially all of their business to a new entity, PricewaterhouseCoopers LLP. The PricewaterhouseCoopers partnership resigned as auditors and the new firm PricewaterhouseCoopers LLP was appointed to fill the casual vacancy. 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

12/9/2003

4 North Charlotte St
Edinburgh
Scotland
EH4 4HT

Polwhat Rig Wind Farm Limited

Independent Auditors' Report to the Members of Polwhat Rig Wind Farm Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 Wind Farm Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 2002 and of the profit for the nine month period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

10/9/03

Polwhat Rig Wind Farm Limited

**Profit & Loss Account for the nine month period ended
31 December 2002**

	Note	9 months ended 31 December 2002 £	Year ended 31 March 2002 £
Interest Receivable	2	<u>515</u>	<u>694</u>
Profit on ordinary activities before taxation		515	694
Tax on profit on ordinary activities	3	<u>(155)</u>	<u>(230)</u>
Retained profit for the financial year	7	<u><u>360</u></u>	<u><u>464</u></u>

All results relate to continuing operations.

There are no other gains or losses recognised other than those reported above and so no statement of Total Recognised Gains and Losses has been prepared.

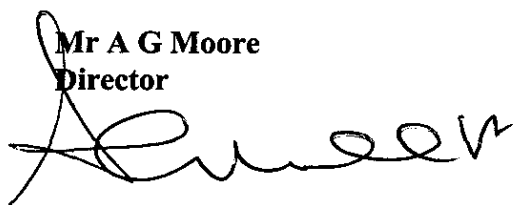
There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Polwhat Rig Wind Farm Limited**Balance Sheet****at 31 December 2002**

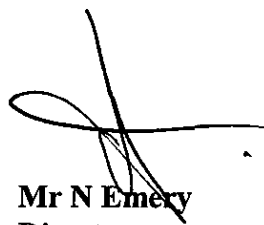
	Note	31 December 2002 £	31 March 2002 £
Current assets			
Debtors	4	1,200	1,200
Cash at bank and in hand		<u>70,677</u>	<u>70,162</u>
Total current assets		71,877	71,362
Creditors : amounts falling due within one year	5	<u>(63,327)</u>	<u>(63,172)</u>
Net Assets		<u>8,550</u>	<u>8,190</u>
Capital and reserves			
Called up share capital	6	1,200	1,200
Profit and loss account	7	<u>7,350</u>	<u>6,990</u>
Total shareholders' funds	8	<u>8,550</u>	<u>8,190</u>

The financial statements on pages 5 to 9 were approved by the Board of Directors on 10/9/2003 and signed on its behalf by:

Mr A G Moore
Director



Mr N Emery
Director



Polwhat Rig Wind Farm Limited

Notes to the Financial Statements for the Nine Month Period ended 31st December 2002

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principle accounting policies are set out below.

Cash flow statement

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, employees and auditors remuneration

None of the Directors received any remuneration during the period (year ended 31 March 2002: £Nil) in respect of their services to the Company. The Company did not have any employees during the period (year ended 31 March 2002 : Nil). Auditors remuneration in the nine month period ended 31 December 2002 and year ended 31 March 2002 was paid by a fellow group undertaking.

2. Interest receivable & similar income

	9 month period ended 31 December 2002 £	Year ended 31 March 2002 £
Bank interest receivable	<u>515</u>	<u>694</u>

Polwhat Rig Wind Farm LimitedNotes to the Financial Statements for the Nine Month Period ended 31st December 2002

3. Tax on profit on ordinary activities	9 month period ended 31 December 2002 £	Year ended 31 March 2002 £
Corporation tax @ 30%	<u>155</u>	<u>230</u>

4. Debtors	31 December 2002 £	31 March 2002 £
Amounts owed by parent undertaking	<u>1,200</u>	<u>1,200</u>

Amounts owed by parent undertaking are unsecured, interest free and are repayable on demand.

5. Creditors : amounts falling due within one year	31 December 2002 £	31 March 2002 £
Amounts owed to parent Company	63,172	62,942
Corporation Tax	<u>155</u>	<u>230</u>
	<u>63,327</u>	<u>63,172</u>

Amounts owed to parents undertaking are unsecured, interest free and are repayable on demand.

6. Called up share capital	31 December 2002 £	31 March 2002 £
Authorised, allotted, called up and fully paid: Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>

Polwhat Rig Wind Farm Limited

Notes to the Financial Statements for the Nine Month Period ended 31st December 2002

7. Reserves

**Profit and
Loss
Account
£**

Retained profits at 1 April 2002	6,990
Profit for the current period	<u>360</u>
Retained profits at 31 December 2002	<u>7,350</u>

8. Reconciliation of movements in shareholders' funds

	31 December 2002 £	31 March 2002 £
Opening shareholders' funds	8,190	7,726
Profit in the current period	<u>360</u>	<u>464</u>
Closing shareholders' funds	<u>8,550</u>	<u>8,190</u>

9. Ultimate Parent Undertaking

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

Windy Standard Limited is owned equally by Fred Olsen Renewables Limited and National Wind Power Limited. There is no company with an ultimate controlling interest.

10. 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.

Polwhat Rig Wind Farm Limited

Contact Details and Advisory Information**Secretary and Registered Office**

Simon Wells
4 North Charlotte Street
Company Secretary
Edinburgh
EH2 4HT

Telephone Number : 01628-532300
Fax Number : 01628-531993

Registered Number : SC 149113

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Bankers

National Westminster Bank Plc
15 Bishopsgate
PO box 34
ECP 2AP

Legal Advisors

Bond Pearce
Linklaters