

**POLWHAT RIG WINDFARM LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**



**Registered Number SC149113**

**Directors' report and financial statements for the year ended 31 December 2003**

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## **Directors' report**

The directors present their annual report and audited financial statements of the company for the year ended 31 December 2003. The comparatives are for the 9 months ended 31 December 2002.

### Principal activities

The principal activity of the company is the holding of bank deposits associated with the construction of the windfarm at Polwhat Rig, Scotland.

### 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 company. The only income is bank interest.

### Results for the year

The results for the year are dealt with on page 4 of the financial statements. The profit on ordinary activities after taxation for the year ended 31 December 2003 was £383 (9 months ended 31 December 2002: £360).

### Directors and their interests

The directors who held office during the year or who were appointed before the AGM were as follows:

A G Moore  
J B Sainsbury  
N A Emery

According to the register required to be kept under section 325 of the Companies Act 1985, none of the directors held any interest in the share options or debentures of RWE Innogy plc ("Innogy", formerly Innogy plc) group companies incorporated in the UK at the end of the financial year. As permitted by statutory instrument, the register does not include shareholdings of directors in companies incorporated outside Great Britain.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 year. 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 year ended 31 December 2003 and that applicable accounting standards have been followed.

**Directors' Report (continued)**

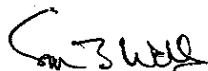
Statement of directors' responsibilities (continued)

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

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



S J Wells  
Company Secretary  
28 April 2004

40 Torphichen Street  
Edinburgh  
Midlothian  
EH3 8JB

**Independent auditors' report to the members of Polwhat Rig Windfarm 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.

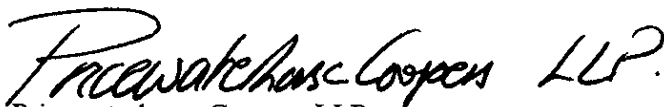
**Basis of audit opinion**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2003 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
28 May 2004

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| <b>Polwhat Rig Windfarm Limited</b> |
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**Profit and loss account**

**For the year ended 31 December 2003**

|                                                      | Note | Year<br>ended 31<br>December<br>2003<br>£ | 9 months<br>ended 31<br>December<br>2002<br>£ |
|------------------------------------------------------|------|-------------------------------------------|-----------------------------------------------|
| Investment income                                    | 4    | 547                                       | 515                                           |
| <b>Profit on ordinary activities before taxation</b> |      | <u>547</u>                                | <u>515</u>                                    |
| Tax on profit on ordinary activities                 | 5    | (164)                                     | (155)                                         |
| <b>Profit on ordinary activities after taxation</b>  |      | <u>383</u>                                | <u>360</u>                                    |
| <b>Profit for the financial year/period</b>          | 9    | <u>383</u>                                | <u>360</u>                                    |

The above results all arise from continuing operations.

The company has no recognised gains or losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

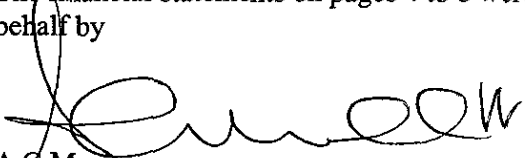
There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

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| <b>Polwhat Rig Windfarm Limited</b> |
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**Balance Sheet**  
**31 December 2003**

|                                                       |      | 31<br>December<br>2003<br>£ | 31<br>December<br>2002<br>£ |
|-------------------------------------------------------|------|-----------------------------|-----------------------------|
|                                                       | Note |                             |                             |
| <b>Current assets</b>                                 |      |                             |                             |
| Debtors                                               | 6    | 0                           | 1,200                       |
| Cash at bank and in hand                              |      | 71,224                      | 70,677                      |
|                                                       |      | <u>71,224</u>               | <u>71,877</u>               |
| <b>Creditors: amounts falling due within one year</b> | 7    | (62,291)                    | (63,327)                    |
| <b>Net current and total assets</b>                   |      | <u>8,933</u>                | <u>8,550</u>                |
| <b>Capital and reserves</b>                           |      |                             |                             |
| Called up share capital                               | 8    | 1,200                       | 1,200                       |
| Profit and loss account                               | 9    | 7,733                       | 7,350                       |
| <b>Equity shareholders' funds</b>                     | 10   | <u>8,933</u>                | <u>8,550</u>                |

The financial statements on pages 4 to 8 were approved by the board of directors and signed on its behalf by

  
A G Moore  
Director  
28 April 2004

**Notes to the financial statements for the year ended 31 December 2003****1. Accounting policies****Basis of preparation**

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 principal accounting policies are set out below.

**Taxation**

The charge for taxation is based on the results for the period. Except where otherwise required by accounting standards, full provision is made for deferred tax without discounting for all timing differences which have arisen but not reversed at the balance sheet date.

**Cash flow statement**

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1 (revised 1996) on the grounds that the company is a small reporting entity.

**2. Directors' emoluments**

None of the directors received any remuneration during the year (9 months ended 31 December 2002: £nil).

**3. Employee information**

Other than the directors, the company had no employees for the year under review (9 months ended 31 December 2002: nil).

**4. Investment income**

|                          | <b>Year<br/>ended 31<br/>December<br/>2003<br/>£</b> | <b>9 months<br/>ended 31<br/>December<br/>2002<br/>£</b> |
|--------------------------|------------------------------------------------------|----------------------------------------------------------|
| Bank interest receivable | <u>547</u>                                           | <u>515</u>                                               |

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| <b>Polwhat Rig Windfarm Limited</b> |
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**Notes to the financial statements for the year ended 31 December 2003 (continued)**

**5. Tax on profit on ordinary activities**

|              | Year<br>ended 31<br>December<br>2003<br>£ | 9 months<br>ended 31<br>December<br>2002<br>£ |
|--------------|-------------------------------------------|-----------------------------------------------|
| Group relief | 164                                       | 155                                           |

There is no difference between the corporation tax charge and the tax on profit on ordinary activities at the standard rate of 30%.

**6. Debtors**

|                                 | 31<br>December<br>2003<br>£ | 31<br>December<br>2002<br>£ |
|---------------------------------|-----------------------------|-----------------------------|
| Amounts due from parent company | 0                           | 1,200                       |

Amounts due from the parent company have been netted off against the amounts due to the parent company, falling due within one year.

**7. Creditors: amounts falling due within one year**

|                                | 31<br>December<br>2003<br>£ | 31<br>December<br>2002<br>£ |
|--------------------------------|-----------------------------|-----------------------------|
| Amounts due to parent company  | 61,251                      | 62,451                      |
| Amounts due to group companies | 876                         | 721                         |
| Group relief                   | 164                         | 155                         |
|                                | 62,291                      | 63,327                      |

The amounts due to the parent and group companies are unsecured, interest free and payable on demand.

**Notes to the financial statements for the year ended 31 December 2003 (continued)**

**8. Called up share capital**

|                                                        | 31<br>December<br>2003<br>£ | 31<br>December<br>2002<br>£ |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| <b>Authorised, allotted, called up and fully paid:</b> |                             |                             |
| 1,200 ordinary shares of £1 each                       | 1,200                       | 1,200                       |

**9. Reserves**

|                               | <b>Profit and<br/>loss account<br/>£</b> |
|-------------------------------|------------------------------------------|
| 1 January 2003                | 7,350                                    |
| Profit for the financial year | 383                                      |
| 31 December 2003              | 7,733                                    |

**10. Reconciliation of movements in shareholders' funds**

|                                      | Year<br>ended 31<br>December<br>2003<br>£ | 9 months<br>ended 31<br>December<br>2002<br>£ |
|--------------------------------------|-------------------------------------------|-----------------------------------------------|
| Opening shareholders' funds          | 8,550                                     | 8,190                                         |
| Profit for the financial year/period | 383                                       | 360                                           |
| Closing shareholders' funds          | 8,933                                     | 8,550                                         |

**11. Related party transactions**

The company is exempt from the requirement under FRS 8 to disclose related party transactions as more than 90% of the voting rights are controlled within the Windy Standard group.

**12. Ultimate parent company**

The immediate parent company is Windy Standard Limited, a company incorporated in Great Britain. Windy Standard Limited is owned equally by Fred Olsen Renewables Limited and National Wind Power Limited. There is no single company with an ultimate controlling interest.

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| <b>Polwhaŧ Rig Windfarm Limited</b> |
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**Contact details and advisory information**

Secretary and registered office

Simon Wells  
40 Torphichen Street  
Edinburgh  
Midlothian  
EH3 8JB

Telephone number: 0131 221 5560

Fax number: 0131 221 5570

Registered number: SC149113

Auditors

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

Bankers

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