

Registered Number SC242525

BEINN MHOR POWER LIMITED

Report and Financial Statements

30 June 2009

WEDNESDAY



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BEINN MHOR POWER LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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BEINN MHOR POWER LIMITED

DIRECTORS' REPORT

The directors present their report on the affairs of the company, together with the financial statements for the year ended 30 June 2009.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITIES

The principal activity of the company is the planning, and associated activities, of the construction and operation of a wind farm at Eishken Estate on the Isle of Lewis. The company has no employees.

PROPOSED DIVIDEND AND TRANSFER TO RESERVES

The loss for the year after taxation amounted to £669,312.

No dividend was paid or is proposed in respect of the year ended 30 June 2009.

DIRECTORS

The directors who served throughout the year were as follows:

C G Cripps
J N Oppenheim
P A Smith

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 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 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 company and of the profit or loss of the company for that period. In preparing these 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; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

BEINN MHOR POWER LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

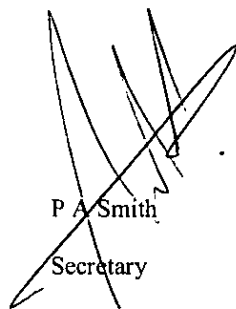
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P A Smith
Secretary

26 March 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEINN MHOR POWER LIMITED

We have audited the financial statements of Beinn Mhor Power Limited for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and 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 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, 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

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year 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 Companies Act 2006.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, concerning the company's ability to continue as a going concern. The company incurred a net loss of £669,312 during the year ended 30 June 2009, and the company's liabilities exceed its assets by £2,594,328. The company's plans involve a requirement for additional loan finance. These conditions, along with other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEINN MHOR
POWER LIMITED (continued)**

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.

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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report.

A J Swarbrick

Andrew Swarbrick BA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge, United Kingdom

29 March 2010

BEINN MHOR POWER LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2009

	Note	2009 £	2008 £
Exceptional administration expenses	5	(356,135)	(7,071)
Other administration expenses		<u>(276,292)</u>	<u>(462,850)</u>
OPERATING LOSS	4	(632,427)	(469,921)
Interest receivable and similar income		138	680
Interest payable and similar charges	6	<u>(37,023)</u>	<u>(24,049)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(669,312)	(493,290)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
RETAINED LOSS FOR THE FINANCIAL YEAR	10	<u>(669,312)</u>	<u>(493,290)</u>

BEINN MHOR POWER LIMITED

BALANCE SHEET

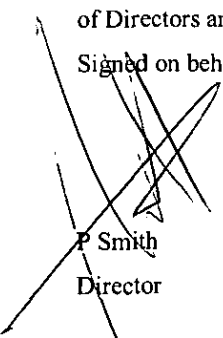
30 June 2009

	Note	2009 £	2008 £
CURRENT ASSETS			
Debtors - other debtors		11,785	38,659
Cash at bank and in hand		5,510	7,085
		<u>17,295</u>	<u>45,744</u>
CREDITORS: amounts falling due within one year	7	<u>(253,114)</u>	<u>(293,324)</u>
NET CURRENT LIABILITIES		<u>(235,819)</u>	<u>(247,580)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(235,819)	(247,580)
CREDITORS: amounts falling due after more than one year	8	<u>(2,358,509)</u>	<u>(1,677,436)</u>
		<u>(2,594,328)</u>	<u>(1,925,016)</u>
CAPITAL AND RESERVES			
Called up share capital	9	105	105
Share premium account	10	4,995	4,995
Profit and loss account	10	<u>(2,599,428)</u>	<u>(1,930,116)</u>
SHAREHOLDERS' DEFICIT		<u>(2,594,328)</u>	<u>(1,925,016)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of Beinn Mhor Power Limited, registered number SC242525, were approved by the Board of Directors and authorised for issue on 26 March 2010.

Signed on behalf of the Board of Directors


P Smith
Director

BEINN MHOR POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

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 United Kingdom accounting standards and under the historical cost accounting rules.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 (revised) not to prepare a cash flow statement on the basis that the company is a small company.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. GOING CONCERN

During the year under review, the company has met its working capital requirements primarily as a result of funds received from loans from a private trust.

Going forward, the company will need significant further cash support to meet its working capital requirements and to realise its goals. On the basis that strong support from the lenders will continue until the objectives of the company are achieved, and that the loans will only be recalled when the company has sufficient cash resources, the directors consider the company will continue in operational existence for the foreseeable future. The directors therefore believe it is appropriate to prepare the financial statements on a going concern basis.

In the event the support is not provided, the company will be unable to continue in operational existence. These accounts do not reflect any adjustments that may be required if this situation occurred.

3. INFORMATION REGARDING DIRECTORS

No remuneration was paid to the directors.

BEINN MHOR POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

4. OPERATING LOSS

	2009 £	2008 £
Operating loss is after charging:		
Auditors' remuneration	3,000	10,000

The £10,000 charged in 2008 is in respect to the five years of audits to 30 June 2008.

5. EXCEPTIONAL ADMINISTRATION EXPENSES

	2009 £	2008 £
Loss on exchange of US Dollar denominated loan	356,135	7,071

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Bank guarantee fees payable	29,514	23,787
Bank and loan interest payable	7,509	262
	<u>37,023</u>	<u>24,049</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	253,114	293,324

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Loan account due between one and two years (note 11)	2,358,509	1,677,436

BEINN MHOR POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

9. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Called up, allotted and fully paid		
105 ordinary shares of £1 each	<u>105</u>	<u>105</u>

10. STATEMENT OF MOVEMENT IN RESERVES

	Share premium account £	Profit and loss account £	Total £
At 1 July 2008	4,995	(1,930,116)	(1,925,121)
Loss for the year	-	(669,312)	(669,312)
At 30 June 2009	<u>4,995</u>	<u>(2,599,428)</u>	<u>(2,594,433)</u>

11. RELATED PARTIES

At the year ended 30 June 2009 the company owed £2,128,529 (2008 - £1,677,436) in respect of unsecured shareholder loans. No interest is payable on the loan and the loan will not be recalled before April 2011 unless the company has sufficient funds to repay it.

At the year ended 30 June 2009 the company owed £229,981 (2008 - £nil) in respect of unsecured loans payable to a director of the company, J N Oppenheim. This loan bears interest at 3% above the Bank of England base rate.