

# THE Wind Fund

ANNUAL REPORT 2000



# Contents

Chairman's report	2
Officers and professional advisers	3
Directors' report	3
Statement of directors' responsibilities	5
Auditors' report	6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the accounts	11

The Wind Fund plc  
Brunel House  
11 The Promenade  
Bristol, BS8 3NN  
United Kingdom

[www.windfund.co.uk](http://www.windfund.co.uk)  
Tel: 0117 973 9339  
Fax: 0117 973 9303  
email: [mail@windfund.co.uk](mailto:mail@windfund.co.uk)

Registered in England and Wales no. 2978651

*Front Cover Photo: Haverigg II wind cluster, owned by The Wind Fund plc  
(with thanks to Colin Palmer, Wind Prospect Ltd)*

*Rear Cover Photo: Beochlich hydro-electric scheme intake wier, owned by  
The Wind Fund plc (with thanks to John Matthew, Ingenco Ltd)*

*Printed on recycled paper*



Glen Saunders,  
Chairman,  
The Wind Fund.

## *Chairman's report*

The Wind Fund's profitability increased significantly in 2000 over previous years. The directors are pleased, therefore, to recommend a dividend of 1.3p per share. The illustrative projections set out in the prospectus for the 1998 share issue showed a dividend of 1p per share for this year.

Performance of the Fund's two renewable energy projects has, however, been uneven. Our windcluster in Cumbria, Haverigg II, has performed well and maintained its profitability for its second full year of operation. Turbine performance is underpinned by a production guarantee and we have been able to make a number of improvements to the cluster's operation during the year and so we are confident that this trend will continue.

The Beochlich hydro-electric project, in Argyll in Scotland has not performed as well. Electricity output in 2000 was up 51% on the previous year but still falls well short of the expected levels and will need further improvement to achieve financial sustainability. Works to improve monitoring and the control system and the completion of the new dam should result in much improved performance in the latter part of 2001 and in following years.

We were not able to expand our portfolio of projects in 2000. This is mainly due to the continuing unfavourable climate for small-scale renewable energy in the UK. Where such investment opportunities do exist, we face increased competition from large utility companies at sub-market rates of return. Accordingly, we undertook an interim strategic review earlier in 2001. We have concluded that it is unlikely that the situation will improve in the short term.

We were, therefore, pleased to accept an invitation to make an investment in a new initiative – Solar Development Capital. This \$30 million fund, supported by the World Bank and Global Environment Facility, focuses on financing businesses involved in solar power - 'photovoltaics' or 'pv' - in rural communities in developing countries. This was a new departure for The Wind Fund though clearly within the scope of the Fund's policy of supporting investment in renewable energy. The investment offers the prospect of a good financial return together with clear social and environmental benefits for some of the world's poorest communities.

For the longer-term future, we expect that new policy developments in the UK – such as the Renewables Obligation and new electricity trading arrangements – will create an investment climate which favours even more the larger and utility-based operations over smaller-scale investments sought by companies like The Wind Fund.

While this will not affect The Wind Fund's existing projects, it will influence future investment possibilities. It is now clear that our current approach will not realise in full the potential of The Wind Fund as originally conceived. With this in mind, the Board of Directors is exploring how The Wind Fund responds to these new realities. We expect to reach conclusions by the end of 2001 and will report back to shareholders then.

**Glen Saunders, Chairman**  
July 2001

# *Officers and Professional Advisers*

DIRECTORS	REGISTERED OFFICE	SOLICITORS
T Anderson	Brunel House	TLT Solicitors
J Harrison	11 The Promenade	Bush House
T Kirby	Clifton	72 Prince Street
S Roberts	Bristol	Bristol
G Saunders	BS8 3NN	BS99 7JZ
<b>SECRETARY</b>	<b>BANKERS</b>	<b>AUDITORS</b>
G Saunders (resigned 5 June 2000)	Triodos Bank	Deloitte & Touche
R Tutin (appointed 5 June 2000)	Brunel House	Queen Anne House
	11 The Promenade	69-71 Queen Square
	Bristol	Bristol
	BS8 3NN	BS1 4JP

## *Directors' report*

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### PRINCIPAL ACTIVITIES

The Wind Fund plc was established to provide equity finance for small-scale renewable energy projects. The principal activity of the company is direct investment in the development and operation of small-scale renewable energy projects such as wind farms and hydro schemes. It provides a mechanism for individuals and institutions to invest directly in renewable energy opportunities. Its subsidiaries, The Wind Fund (Beochlich) Limited and Haverigg ii Limited operate a hydro-electric project and a wind farm project respectively.

### REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The group achieved a profit before taxation for the year to 31 December 2000 of £113,816 (1999: £17,254).

The Wind Fund plc invested in two renewable energy projects during 1998 through subsidiary undertakings, The Wind Fund (Beochlich) Limited and Haverigg ii Limited. These subsidiaries have been operating the projects during 2000. The same Operation and Maintenance Manager was appointed by both subsidiaries in the year creating a single point of contact for operational management of both projects.

The Wind Fund (Beochlich) Limited runs a hydro-electric scheme in Scotland. It achieved 51% more electricity production in 2000 compared with 1999, but production has still not reached predicted levels. Following the installation of a full SCADA system at the end of 2000 and analysis of its output, further improvements to the control system are planned for 2001.

Costs and production losses resulting from damage by a lightning strike in September 1999 were successfully recovered from insurers during 2000.



Construction of the storage dam at Beochlich, which had not been undertaken by the original construction contractor, was initiated in July 2000, supported by a loan from The Wind Fund PLC. Completion was postponed until April 2001 after heavy rainfall caused the failure of a temporary diversion bund in early September.

Haverigg II Limited runs a four turbine wind cluster in Cumbria, in which one of the turbines is owned by Baywind Energy Co-operative Limited. In July 2000, The Wind Fund PLC purchased additional share capital of 2,750 shares in Haverigg II Limited to give it 100% ownership of this subsidiary. Lower than expected electricity output during the year led to a claim at the end of 2000 under the Service and Warranty Agreement for the turbines. This agreement provides a minimum production guarantee.

The directors consider that the company is well placed to perform satisfactorily in the future.

#### **POST BALANCE SHEET EVENT**

On 2 March 2001, the directors agreed to invest us\$500,000 in Class 'A' shares in Solar Development Capital Limited, a \$30 million fund supported by the World Bank and Global Environment Facility. Solar Development Capital Limited has been set up to invest in for-profit private sector business activity in the distribution, retail and financing of environmentally sound and reliable energy - principally photovoltaics ('pv' or 'solar power') - to those rural communities in developing countries without access to a reliable electric grid.

Solar Development Capital Limited is managed by Stichting Triodos PV Partners, a joint venture involving Triodos Deelnemingen BV which owns the 'A' ordinary share in The Wind Fund PLC.

#### **RESULTS AND DIVIDENDS**

The retained profit for the year of £34,603 (1999: £246) has been transferred to reserves. The directors recommend the payment of a final proposed dividend of £35,040 (1999: nil).

#### **INTRODUCTION OF THE EURO**

The group has minimal ongoing sales and purchases outside the UK. Discussions with major customers and suppliers show little requirement for dealing in the Euro currency. It is proposed to deal with the Euro in the same way as any other non-sterling currency until the Euro becomes a more established currency and/or a decision is taken by the UK Government to join the Euro currency.

#### **PAYMENT POLICY**

The group policy is to comply with the terms of payment agreed with a supplier rather than to follow a particular code or standard. Where terms are not negotiated, the company endeavours to adhere to the suppliers' standard terms. Trade creditors relate mainly to fixed assets purchased in the year and so no meaningful creditors' days' calculation is possible.

#### **DIRECTORS**

The directors during the year were as follows:

T Anderson; J Harrison; T Kirby; S Roberts; G Saunders.

## DIRECTORS' INTERESTS IN SHARES

The directors and their interests in the ordinary shares of the company at the beginning of the financial year and end of the financial year were:

	50p Ordinary shares fully paid	
	2000	1999
T Anderson	-	-
J Harrison	2,000	2,000
T Kirby	-	-
S Roberts	-	-
G Saunders	2,000	2,300

## AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 25 July 2001 and signed on behalf of the Board

R Tutin  
Secretary

S Roberts  
Director

## *Statement of directors' responsibilities*

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit and loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# *Auditors' report to the members of the Wind Fund PLC*

We have audited the financial statements on pages 7 to 19 which have been prepared under the accounting policies set out on page 11.

## **Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

## **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, 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 and the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche  
Chartered Accountants and  
Registered Auditors  
27 July 2001

# Consolidated profit and loss account

Year ended 31 December 2000

	Note	Continuing operations	
		2000 £	1999 £
Turnover	1	453,514	359,679
Cost of sales		(214,634)	(220,435)
<b>Gross profit</b>		<u>238,880</u>	<u>139,244</u>
Administrative expenses		(71,923)	(83,488)
<b>Operating profit</b>	3	<u>166,957</u>	<u>55,756</u>
Profit on sale of fixed assets		-	42,500
Interest receivable and similar income		122,244	99,642
Interest payable and similar charges	5	(175,385)	(180,644)
<b>Profit on ordinary activities before taxation</b>		<u>113,816</u>	<u>17,254</u>
Tax on profit on ordinary activities	6	(44,173)	(17,000)
<b>Profit on ordinary activities after taxation</b>		<u>69,643</u>	<u>254</u>
Equity minority interest		-	(8)
Dividends payable	7	(35,040)	-
<b>Retained profit for the year</b>	17	<u><u>34,603</u></u>	<u><u>246</u></u>

The company has no recognised gains and losses other than the profit for the current financial year or the preceding financial year. Accordingly no statement of total recognised gains and losses has been prepared.



# Consolidated balance sheet

At 31 December 2000

		2000		1999 (Restated - see note 1)	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		2,805,401		2,784,345
<b>Current assets</b>					
Debtors	11	194,066		97,232	
Cash at bank/in hand		1,962,281		2,110,381	
Investments		173,500		173,500	
		<u>2,329,847</u>		<u>2,381,113</u>	
<b>Creditors: amounts falling due within one year</b>	12	<b>(388,161)</b>		<b>(376,670)</b>	
<b>Net current assets</b>			<u><b>1,941,686</b></u>		<u><b>2,004,443</b></u>
<b>Total assets less current liabilities</b>			<b>4,747,087</b>		<b>4,788,788</b>
<b>Creditors: amounts falling due after more than one year</b>	13		<b>(1,851,756)</b>		<b>(2,036,915)</b>
<b>Provisions for liabilities and charges</b>	15		<b>(61,173)</b>		<b>(17,000)</b>
<b>Minority interests</b>					
Equity minority interests			-		(4,317)
<b>Net assets</b>			<u><u><b>2,834,158</b></u></u>		<u><u><b>2,730,556</b></u></u>
<b>Capital and reserves</b>					
Called up share capital	16		1,212,930		1,187,012
Share premium account	17		1,551,950		1,510,482
Profit and loss account	17		69,278		33,062
<b>Equity shareholders' funds</b>	18		<u><u><b>2,834,158</b></u></u>		<u><u><b>2,730,556</b></u></u>

These financial statements were approved by the Board of Directors on 25 July 2001

Signed on behalf of the Board of Directors

S Roberts  
Director

# Company balance sheet

At 31 December 2000

		2000		1999	
	Note	£	£	<i>(Restated - see note 1)</i>	
				£	£
<b>Fixed assets</b>					
Investments	10		815,075		812,370
<b>Current assets</b>					
Debtors	11	318,236		22,740	
Cash at bank/in hand		1,881,616		2,005,800	
		<u>2,199,852</u>		<u>2,028,540</u>	
<b>Creditors: amounts falling due within one year</b>	12	<b>(84,905)</b>		<b>(54,623)</b>	
<b>Net current assets</b>			<b>2,114,947</b>		<b>1,973,917</b>
<b>Net assets</b>			<b>2,930,022</b>		<b>2,786,287</b>
		<u><u>2,930,022</u></u>		<u><u>2,786,287</u></u>	
<b>Capital and reserves</b>					
Called up share capital	16		1,212,930		1,187,012
Share premium account	17		1,551,950		1,510,482
Profit and loss account	17		165,142		88,793
<b>Equity shareholders' funds</b>			<b>2,930,022</b>		<b>2,786,287</b>
		<u><u>2,930,022</u></u>		<u><u>2,786,287</u></u>	

These financial statements were approved by the Board of Directors on 25 July 2001

Signed on behalf of the Board of Directors

S Roberts  
Director

# Consolidated cash flow statement

Year ended 31 December 2000

	Note	2000		1999	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	19		158,056		366,781
<b>Returns on investments and servicing of finance</b>					
Interest received		122,244		96,769	
Interest paid		(175,385)		(180,644)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(53,141)		(83,875)
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(143,465)		(219,462)	
Proceeds from sale of fixed assets		-		575,079	
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>			(143,465)		355,617
<b>Acquisitions/disposals</b>					
Increase in shares of subsidiary undertaking			(2,705)		(20,000)
<b>Net cash (outflow)/inflow before use of liquid resources and financing</b>			(41,255)		618,523
<b>Management of liquid resources</b>					
Increase in current asset investments			-		(173,500)
<b>Financing</b>					
Issue of share capital		67,386		602,256	
New borrowings		-		173,779	
Repayment of borrowings		(174,231)		(699,521)	
<b>Net cash (outflow)/inflow from financing</b>			(106,845)		76,514
<b>(Decrease)/increase in cash in the year</b>	21		(148,100)		521,537

# Notes to the accounts

Year ended 31 December 2000

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

### Accounting convention

The financial statements are prepared under the historical cost convention.

### Basis of consolidation

The group financial statements consolidate the financial statements of the company and all subsidiaries for the financial year ended 31 December 2000. The directors have also taken advantage of the exemption granted by the Companies Act to omit the company profit and loss account from these financial statements.

### Current asset investment

Current asset investments represent cash held on deposit.

### Investments

Investments held as fixed assets are stated at cost less any impairment in value.

### Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and machinery	5% per annum
---------------------	--------------

Assets under course of construction are not depreciated.

### Turnover

Turnover which is stated net of value added tax represents amounts invoiced in relation to the company's and group's principal activities in the United Kingdom.

### Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

## 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. These translation differences are dealt with in the profit and loss account.

## Leases

Rentals in respect of operating leases are charged to profit and loss in equal annual amounts over the lease term.

## Restatement of comparatives

Cash held on deposit has been reclassified as a current asset investment.

### 2. CLASS OF BUSINESS

The directors consider that there is only one class of business and hence segmental information by class is not provided.

### 3. OPERATING PROFIT

	2000	1999
	£	£
Operating profit is after charging:		
Auditors' remuneration:		
- audit services	10,573	5,900
- other services including taxation	3,269	2,540
Depreciation	148,158	151,172
Other operating leases	22,477	18,297

### 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
The emoluments of directors of the company were:		
Directors' emoluments	5,400	5,550

No pension emoluments were paid on the behalf of directors.

Messrs S Roberts and G Saunders received no emoluments from The Wind Fund plc Group.

There were no employees of the company other than the directors.

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	171	-
Loans repayable after more than five years	175,214	180,644

175,385      180,644

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Deferred taxation	44,173	17,000

7. DIVIDENDS

	2000	1999
	£	£
Final proposed 1.3p (1999: nil) per ordinary share	31,536	-
Final proposed dividend per 'A' ordinary share	3,504	-
	<u>35,040</u>	<u>-</u>

8. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £111,389 (1999: £77,380).

9. TANGIBLE FIXED ASSETS

Group	Assets under course of construction	Plant and machinery	Total
	£	£	£
<b>Cost</b>			
At 1 January 2000	-	2,957,565	2,957,565
Additions	169,214	-	169,214
At 31 December 2000	<u>169,214</u>	<u>2,957,565</u>	<u>3,126,779</u>
<b>Accumulated depreciation</b>			
At 1 January 2000	-	173,220	173,220
Provision for the year	-	148,158	148,158
At 31 December 2000	<u>-</u>	<u>321,378</u>	<u>321,378</u>
<b>Net book value</b>			
At 31 December 2000	<u>169,214</u>	<u>2,636,187</u>	<u>2,805,401</u>
At 31 December 1999	<u>-</u>	<u>2,784,345</u>	<u>2,784,345</u>



## 10. INVESTMENTS

### Company

Investments in subsidiary undertakings at cost:	£
At 1 January 2000	812,370
Additions	2,705
	<hr/>
At 31 December 2000	815,075
	<hr/> <hr/>

The company owns 100% of the issued ordinary shares of The Wind Fund (Beochlich) Limited, a company incorporated in England. The principal business activity of The Wind Fund (Beochlich) Limited is power supply.

The company owns 100% (1999: 99.2%) of the issued ordinary shares of Haverigg II Limited, a company incorporated in England. The principal business activity of Haverigg II Limited is power supply.

### 11. DEBTORS

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Called up share capital not paid	-	2,342	-	2,340
Trade debtors	53,621	82,517	-	-
Amounts owed by group undertakings	-	-	318,236	20,400
Other debtors	19,924	598	-	-
Prepayments and accrued income	120,521	11,775	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	194,066	97,232	318,236	22,740
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans	188,749	177,821	-	-
Trade creditors	35,912	97,958	2,145	-
Other creditors including taxation and social security	14,214	39,466	2,720	22,977
Accruals and deferred income	114,246	61,425	45,000	31,645
Proposed dividend	35,040	-	35,040	-
	<hr/>	<hr/>	<hr/>	<hr/>
	388,161	376,670	84,905	54,623
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loans	1,851,756	2,036,915	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 14. BORROWINGS

	2000	1999
	£	£
<b>Bank loans</b>		
Amounts payable:		
- due within one year	188,749	177,821
- due after more than one year	1,851,756	2,036,915
	<u>2,040,505</u>	<u>2,214,736</u>

<b>Analysis of loan repayments</b>	£	£
Bank loans and overdrafts:		
- within one year	188,749	177,821
- within one to two years	204,923	191,922
- within two to five years	726,279	673,933
- after five years	920,554	1,171,060
	<u>2,040,505</u>	<u>2,214,736</u>

Bank loans comprise of £2,040,505 with Triodos Bank and bear interest currently at 2.25% over Royal Bank of Scotland base rate. This is repayable in monthly instalments and is secured by fixed and floating charges on the fixed assets of the subsidiary companies.

#### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	At 1 January 2000 £	Charged to profit and loss account £	At 31 December 2000 £
<b>Group</b>			
Deferred taxation	<u>17,000</u>	<u>44,173</u>	<u>61,173</u>

The amounts of deferred tax provided and unprovided in the accounts are as follows:

	Provided		Unprovided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	235,693	276,000	-	-
Trading losses	(174,520)	(259,000)	-	-
	<u>61,173</u>	<u>17,000</u>	-	-

## 16. CALLED UP SHARE CAPITAL

	1999 and 2000	
	No.	£
<b>Authorised</b>		
Ordinary shares of £0.50 each	50,000,000	25,000,000
'A' ordinary share of £2 each	1	2
	<hr/>	<hr/>
	50,000,001	25,000,002
	<hr/> <hr/>	<hr/> <hr/>
	2000	1999
	£	£
<b>Called up, allotted and fully paid</b>		
Fully paid ordinary shares of £0.50 each	1,212,928	1,187,010
'A' ordinary share of £2 each	2	2
	<hr/>	<hr/>
	1,212,930	1,187,012
	<hr/> <hr/>	<hr/> <hr/>

During the year, 51,835 ordinary shares with an aggregate nominal value of £25,918 were issued fully paid for cash of £67,386.

### Rights attached to shares

The 'A' ordinary share has the right:

- to receive 10% of the aggregate of any dividends declared;
- to prevent the passing of any special resolution, any extraordinary resolution, any resolution where special notice is required, or any resolution required to be forwarded to the Registrar of Companies in accordance with Sections 122, 123 or 380 of the Companies Act, being given such number of votes as necessary to stop such a resolution;
- to appoint or remove a director by being given such number of votes as necessary to pass such a resolution; and
- in all other cases, such number of votes as represents 10% of the entire voting rights of the company.

## 17. STATEMENT OF MOVEMENT ON RESERVES

	Share premium account	Profit and loss account
<b>Group</b>	£	£
At 1 January 2000	1,510,482	33,062
Retained profit for the year	-	34,603
Issue of share capital	41,468	-
Acquisition of minority interest	-	1,613
<b>At 31 December 2000</b>	<b>1,551,950</b>	<b>69,278</b>

<b>Company</b>	£	£
At 1 January 2000	1,510,482	88,793
Retained profit for the year	-	76,349
Issue of share capital	41,468	-
<b>At 31 December 2000</b>	<b>1,551,950</b>	<b>165,142</b>

## 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

<b>Group</b>	2000 £	1999 £
Profit for the financial year	34,603	246
New share capital subscribed (net of issue costs)	67,386	603,296
Acquisition of minority interest	1,613	-
Net additions to shareholders' funds	103,602	603,542
Opening shareholders' funds	2,730,556	2,127,014
<b>Closing shareholders' funds</b>	<b>2,834,158</b>	<b>2,730,556</b>

<b>Company</b>	£	£
Profit for the financial year	76,349	77,380
New share capital subscribed (net of issue costs)	67,386	603,296
Net additions to shareholders' funds	143,735	680,676
Opening shareholders' funds	2,786,287	2,105,611
<b>Closing shareholders' funds</b>	<b>2,930,022</b>	<b>2,786,287</b>

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Operating profit	166,957	55,756
(Increase)/decrease in debtors	(96,833)	60,726
(Decrease)/increase in creditors	(60,226)	99,127
Depreciation	148,158	151,172
<b>Net cash inflow from operating activities</b>	<b>158,056</b>	<b>366,781</b>

20. ANALYSIS OF NET FUNDS

	At 1 January 2000 <i>(Restated - see note 1)</i>	Cash flow	Non-cash changes	At 31 December 2000
	£	£	£	£
Cash at bank and in hand	2,110,381	(148,100)	-	1,962,281
Debt due after one year	(2,036,915)	-	185,159	(1,851,756)
Debt due within one year	(177,821)	174,231	(185,159)	(188,749)
Current asset investments	173,500	-	-	173,500
	69,145	26,131	-	95,276

21. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2000	1999
	£	£
(Decrease)/increase in cash in the year	(148,100)	521,537
Cash outflow from decrease in debt	174,231	525,742
Cash outflow from increase in liquid resources	-	173,500
<b>Change in net debt resulting from cash flows</b>	<b>26,131</b>	<b>1,220,779</b>
Movement in net debt in the year	26,131	1,220,779
Net funds/(debt) at 1 January	69,145	(1,151,634)
<b>Net funds at 31 December</b>	<b>95,276</b>	<b>69,145</b>

22. CAPITAL COMMITMENTS

	2000	1999
	£	£
At 31 December 2000, the group was committed to the following capital expenditure	145,000	-

### 23. OPERATING LEASE COMMITMENTS

At 31 December 2000 the group was committed to making the following payments during the next year in respect of operating leases:

Land and buildings	2000	1999
	£	£
Leases which expire - in over five years	16,206	25,000

### 24. RELATED PARTY TRANSACTIONS

Under the terms of the 'Provision for Administrative Services Agreement' entered into between Triodos Bank, an associate of Triodos Deelnemingen bv and The Wind Fund plc, Triodos Bank is responsible for handling all the administrative running of the company. During the year, Triodos Bank received fees of £18,000 for this service (1999: £12,000). This amount is included in creditors at the year end.

The company was also party to a share option agreement with Triodos Investments Limited, an associate of Triodos Deelnemingen bv. This gave Triodos Investments Limited the option to subscribe to up to two million shares until the earlier of October 2000 or another public share issue at a price of £1.30 per share.

### 25. POST BALANCE SHEET EVENT

On 2 March 2001, the directors agreed to invest us\$500,000 in Class 'A' shares in Solar Development Capital Limited, a \$30 million fund supported by the World Bank and Global Environment Facility, Solar Development Capital Limited has been set up to invest in for-profit private sector business activity in the distribution, retail and financing of environmentally sound and reliable energy - principally photovoltaics ('pv' or 'solar power') - to those rural communities in developing countries without access to a reliable electric grid.

Solar Development Capital Limited is managed by Stichting Triodos pv Partners, a joint venture involving Triodos Deelnemingen bv which owns the 'A' ordinary share in The Wind Fund plc.





