

THE Wind Fund

ANNUAL REPORT 2001



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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 weir, owned by
The Wind Fund plc (with thanks to John Matthew, Ingenco Ltd)*

Printed on recycled paper

Chair's report

The Wind Fund continued to be profitable in 2001. With improved performance at our hydro-electric project, the emergence of a clearer strategy for the future, and adequate existing reserves, the directors are pleased to recommend a dividend of 3.3p per share.

Performance has historically been weak at our hydro-electric scheme at Beochlich in Argyll in Scotland. In 2001 we initiated and completed a thorough overhaul of the control system and finished works at the storage dam. As a result, electricity production in the last three months of the year was finally achieving levels predicted prior to construction. We now look forward with greater confidence to profitable operation in the future.

The wind blew less in Cumbria in 2001 than average, but our windcluster at Haverigg 11 still managed a 2.1% increase in output over the previous year. This was largely due to improved service performance.

As detailed in last year's Annual Report, our investment in Solar Development Capital represented a new departure for The Wind Fund. 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 development countries. After establishment in 2001, we understand that the company will be in position to make its first investments during the first half of 2002.

For several years now, the UK Government's policy on renewables has been under review. We have mirrored this in The Wind Fund as we sought to understand the role the company may be able to take in the future.

The Government's new policy has now crystallised and we find ourselves emerging into a brave new world of obligations and tradeable certificates. The policy framework is by no means ideal but we do see that the end of uncertainty has in itself helped to galvanise new development.

As a result, we also see a new possibility for The Wind Fund to grow and develop on a profitable basis. This will require some changes to the company, the details of which are still being finalised. These new developments will need the approval of our shareholders and will therefore be the focus of this year's Annual General Meeting.

Teresa Anderson

Chair

3 May 2002

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
<i>(resigned 1 August 2001)</i>		
M Bierman	BANKERS	AUDITORS
<i>(appointed 1 August 2001)</i>	Triodos Bank	Elliott Bunker
SECRETARY	Brunel House	30 Queen Square
	11 The Promenade	Bristol
R Tutin	Clifton	BS1 4ND
<i>(resigned 23 January 2002)</i>	Bristol	
S Roberts	BS8 3NN	
<i>(appointed 23 January 2002)</i>		

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

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 11 Limited operate a hydro electric project and a wind farm project respectively. The company also holds a share in Solar Development Capital, an investment company established to invest in renewable energy enterprises in developing countries.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The group achieved a profit before taxation for the year to 31 December 2001 of £87,767 (2000: £113,816).

The Wind Fund plc invested in two renewable energy projects during 1998 through subsidiary undertakings, The Wind Fund (Beochlich) Limited and Haverigg 11 Limited. These subsidiaries have been operating the projects during 2001.

The Wind Fund (Beochlich) Limited runs a hydro-electric scheme in Scotland. It achieved 33% more electricity production in 2001 compared with 2000. A number of improvements were made to the control system and operating regime in the second half of 2001, resulting in significant improvements in performance towards the end of the year. In the last three months of 2001, for the first time in the project's history, production achieved was in line with levels predicted prior to construction.

The construction of the storage dam, which had been postponed in October 2000 after heavy rainfall caused the failure of a temporary diversion bond, was completed in the summer of 2001. An insurance claim for lost production and other costs incurred as result of this incident was resolved at the end of 2001.

Haverigg 11 Limited runs a four turbine wind cluster in Cumbria, in which one of the turbines is owned by Baywind Energy Co-operative Limited. Electricity output was 2.3% higher in 2001 than 2000, in spite of lower average wind speeds at the site. This was due principally to improved performance of the service providers under the Service and Warranty Agreement. This agreement also provides a minimum annual production guarantee. During the year, claims were successfully made under the Service and Warranty Agreement for one period of lost production and for a shortfall of 4% against the minimum production guarantee.

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. During the year, in response to capital calls, \$17,500 of this investment was paid to Solar Development Capital Limited to support its continued development.

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 directors recommend the payment of a final proposed dividend of £88,948 (2000: £35,040). The retained profit for the year of £215 (2000: £34,603) has been transferred to reserves.

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

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 (*resigned 1 August 2001*); M Bierman (*appointed 1 August 2001*).

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	
	2001	2000
T Anderson	-	-
J Harrison	-	-
	2,000	2,000
T Kirby	-	-
S Roberts	-	-
G Saunders	-	-
	2,000	2,000
M Bierman	-	-

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

S Roberts
Secretary

M Bierman
Director

3 May 2002

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 of the profit and loss of the company 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 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 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' report to the members of The Wind Fund plc

We have audited the financial statements of The Wind Fund plc for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statement in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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 and the group as at 31 December 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Elliott Bunker

Chartered Accountants and Registered Auditors

3 May 2002

Consolidated profit and loss account

Year ended 31 December 2001

	Note	Continuing operations	
		2001 £	2000 £
Turnover	1	381,718	453,514
Cost of sales		(199,838)	(214,634)
Gross profit		181,880	238,880
Administrative expenses		(47,584)	(71,923)
Operating profit	3	134,296	166,957
Interest receivable and similar income		98,930	122,244
Interest payable and similar charges	5	(145,459)	(175,385)
Profit on ordinary activities before taxation		87,767	113,816
Tax credit/(charge) on profit on ordinary activities	6	1,396	(44,173)
Profit on ordinary activities after taxation		89,163	69,643
Dividends payable	7	(88,948)	(35,040)
Retained profit for the year	17	215	34,603

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 2001

		2001		2000	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		2,812,922		2,805,401
Investments			12,362		-
Current assets					
Debtors	11		187,539		194,066
Cash at bank and in hand			1,844,640		1,962,281
Investments			173,500		173,500
			<u>2,205,679</u>		<u>2,329,847</u>
Creditors: amounts falling due within one year	12	(508,720)		(388,161)	
			<u>1,696,959</u>		<u>1,941,686</u>
Net current assets					
			<u>1,696,959</u>		<u>1,941,686</u>
Total assets less current liabilities			4,522,243		4,747,087
Creditors: amounts falling due after more than one year	13	(1,628,093)		(1,851,756)	
Provisions for liabilities and charges	15	(59,777)		(61,173)	
			<u>2,834,373</u>		<u>2,834,158</u>
Net assets			<u>2,834,373</u>		<u>2,834,158</u>
Capital and reserves					
Called up share capital	16		1,212,930		1,212,930
Share premium account	17		1,551,950		1,551,950
Profit and loss account	17		69,493		69,278
			<u>2,834,373</u>		<u>2,834,158</u>
Equity shareholders' funds	18		<u>2,834,373</u>		<u>2,834,158</u>

These financial statements were approved by the Board of Directors on 3 May 2002

Signed on behalf of the Board of Directors

S Roberts
Director

Company balance sheet

At 31 December 2001

			2001	2000	
	Note	£	£	£	£
Fixed assets					
Investments	10		827,437		815,075
Current assets					
Debtors	11	616,332		318,236	
Cash at bank and in hand		1,687,819		1,881,616	
		<u>2,304,151</u>		<u>2,199,852</u>	
Creditors: amounts falling due within one year					
	12	(149,768)		(84,905)	
		<u></u>		<u></u>	
Net current assets			<u>2,154,383</u>		<u>2,114,947</u>
Net assets			<u>2,981,820</u>		<u>2,930,022</u>
Capital and reserves					
Called up share capital	16		1,212,930		1,212,930
Share premium account	17		1,551,950		1,551,950
Profit and loss account	17		216,940		165,142
			<u></u>		<u></u>
Equity shareholders' funds			<u>2,981,820</u>		<u>2,930,022</u>

These financial statements were approved by the Board of Directors on 3 May 2002

Signed on behalf of the Board of Directors

M Bierman
Director

Consolidated cash flow statement

Year ended 31 December 2001

		2001	2000
	Note	£	£
Net cash inflow from operating activities	19	261,196	158,056
Returns on investments and servicing of finance			
Interest received		98,929	122,244
Interest paid		(145,459)	(175,385)
		<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance		(46,530)	(53,141)
Capital expenditure and financial investment			
Investment in Solar Development Capital		(12,362)	-
Purchase of tangible fixed assets		(159,753)	(143,465)
		<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment		(172,115)	(143,465)
Acquisitions/disposals			
Increase in shares of subsidiary undertaking		-	(2,705)
		<hr/>	<hr/>
Net cash inflow/ (outflow) before use of liquid resources and financing		42,551	(41,255)
Financing			
Issue of share capital		-	67,386
New borrowings		-	-
Repayment of borrowings		(194,378)	(174,231)
		<hr/>	<hr/>
Net cash outflow from financing		(194,378)	(106,845)
		<hr/>	<hr/>
Decrease in cash in the year	21	(151,827)	(148,100)
		<hr/> <hr/>	<hr/> <hr/>

Notes to the accounts

Year ended 31 December 2001

I. 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 2001. 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 installments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and machinery	5% per annum
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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.

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

	2001	2000
	£	£
Operating profit is after charging:		
Auditors' remuneration:		
- audit services	5,135	10,573
- other services including taxation	2,029	3,269
Depreciation	152,234	148,158
Other operating leases	15,747	22,477

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2001	2000
	£	£
The emoluments of directors of the company were:		
Directors' emoluments	5,400	5,400

No pension emoluments were paid on the behalf of directors.

Messrs S Roberts, G Saunders and M Bierman 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

	2001	2000
	£	£
Bank interest	614	171
Loans repayable after more than five years	144,845	175,214
	145,459	175,385

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001	2000
	£	£
Deferred taxation credit/(charge)	1,396	(44,173)

7. DIVIDENDS

	2001	2000
	£	£
Final proposed 3.3p (2000: 1.3p) per ordinary share	80,053	31,536
Final proposed dividend per 'A' ordinary share	8,895	3,504
	88,948	35,040

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 £140,746 (2000: £111,389).

9. TANGIBLE FIXED ASSETS

	Assets in the course of construction £	Plant and machinery £	Total £
Cost			
At 1 January 2001	169,214	2,957,565	3,126,779
Additions	112,224	47,531	159,755
Transfers	(281,438)	281,438	-
	<hr/>	<hr/>	<hr/>
At 31 December 2001	-	3,286,534	3,286,534
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 January 2001	-	321,378	321,378
Provision for the year	-	152,234	152,234
	<hr/>	<hr/>	<hr/>
At 31 December 2001	-	473,612	473,612
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2001	-	2,812,922	2,812,922
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2000	169,214	2,636,187	2,805,401
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

10. INVESTMENTS

Company

Investments in subsidiary undertakings at cost: £

At 1 January 2001 and at 31 December 2001 815,075

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% of the issued ordinary shares of Haverigg 11 Limited, a company incorporated in England. The principal business activity of Haverigg 11 Limited is power supply.

Other investments (Solar Development Capital): £

Investment made in response to capital calls as at 31 December 2001 12,362

11. DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	62,147	53,621	-	-
Amounts owed by group undertakings	-	-	607,637	318,236
Other debtors	8,966	19,924	8,695	-
Prepayments and accrued income	116,426	120,521	-	-
	<u>187,539</u>	<u>194,066</u>	<u>616,332</u>	<u>318,236</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Overdrafts	34,186	-	-	-
Bank loans	218,033	188,749	-	-
Trade creditors	48,926	35,912	430	2,145
Other creditors including taxation and social security	9,243	14,214	-	2,720
Accruals and deferred income	74,344	114,246	25,350	45,000
Proposed dividend	123,988	35,040	123,988	35,040
	<u>508,720</u>	<u>388,161</u>	<u>149,768</u>	<u>84,905</u>

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

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans	1,628,093	1,851,756	-	-

14. BORROWINGS

	2001	2000
	£	£
Bank loans		
Amounts payable:		
- due within one year	218,033	188,749
- due after more than one year	1,628,093	1,851,756
	<u>1,846,126</u>	<u>2,040,505</u>
Analysis of loan repayments	£	£
Bank loans and overdrafts:		
- within one year	218,033	188,749
- within one to two years	232,058	204,923
- within two to five years	789,632	726,279
- after five years	606,403	920,554
	<u>1,846,126</u>	<u>2,040,505</u>

Bank loans comprise of £1,846,126 with Triodos Bank and bear interest currently at 2.25% over Royal Bank of Scotland base rate. This is repayable in monthly installments and is secured by fixed and floating charges on the fixed assets of the subsidiary companies.

15. PROVISIONS FOR LIABILITIES AND CHARGES

Group	At 1 January 2001 £	Charged to profit and loss account £	At 31 December 2001 £
Deferred taxation	61,173	(1,396)	59,777

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

	Provided		Unprovided	
	2001 £	2000 £	2001 £	2000 £
Accelerated capital allowances	345,880	235,693	-	-
Trading losses	(286,103)	(174,520)	-	-
	59,777	61,173	-	-

16. CALLED UP SHARE CAPITAL

	2000 and 2001	
	No.	£
Authorised		
Ordinary shares of £0.50 each	50,000,000	25,000,000
'A' ordinary share of £2 each	1	2
	50,000,001	25,000,002
Called up, allotted and fully paid		
Fully paid ordinary shares of £0.50 each	1,212,928	1,212,928
'A' ordinary share of £2 each	2	2
	1,212,930	1,212,930

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
Group	£	£
At 1 January 2001	1,551,950	69,278
Retained profit for the year	-	215
	<hr/>	<hr/>
At 31 December 2001	1,551,950	69,493
	<hr/> <hr/>	<hr/> <hr/>
Company	£	£
At 1 January 2001	1,551,950	165,142
Retained profit for the year	-	51,798
	<hr/>	<hr/>
At 31 December 2001	1,551,950	216,940
	<hr/> <hr/>	<hr/> <hr/>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
Group	£	£
Retained profit for the financial year	215	34,603
New share capital subscribed (net of issue costs)	-	67,386
Acquisition of minority interest	-	1,613
	<hr/>	<hr/>
Net additions to shareholders' funds	215	103,602
Opening shareholders' funds	2,834,158	2,730,556
	<hr/>	<hr/>
Closing shareholders' funds	2,834,373	2,834,158
	<hr/> <hr/>	<hr/> <hr/>
Company	£	£
Retained profit for the financial year	51,798	76,349
New share capital subscribed (net of issue costs)	-	67,386
	<hr/>	<hr/>
Net additions to shareholders' funds	51,798	143,735
Opening shareholders' funds	2,930,022	2,786,287
	<hr/>	<hr/>
Closing shareholders' funds	2,981,820	2,930,022
	<hr/> <hr/>	<hr/> <hr/>

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH

Inflow from operating activities	2001	2000
	£	£
Operating profit	134,296	166,957
Increase in debtors	6,526	(96,833)
Decrease in creditors	(31,860)	(60,226)
Depreciation	152,234	148,158
	<hr/>	<hr/>
Net cash inflow from operating activities	261,196	158,056
	<hr/> <hr/>	<hr/> <hr/>

20. ANALYSIS OF NET FUNDS

	At 1 January 2001 £	Cash flow £	Non-cash changes £	At 31 December 2001 £
Cash at bank and in hand	1,962,281	(117,641)	-	1,844,640
Overdrafts		(34,186)	-	(34,186)
Bank loans falling due within one year	(188,749)	194,378	(223,662)	(218,033)
Bank loans falling due after more than one year	(1,851,756)	-	223,663	(1,628,093)
Current asset investments	173,500	-	-	173,500
	<u>95,276</u>	<u>42,551</u>	<u>1</u>	<u>137,828</u>

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

	2001 £
Decrease in cash at bank in the year	(117,641)
Decrease in overdrafts in the year	(34,186)
Cash outflow from decrease in debt	194,378
Change in net debt resulting from cash flows	<u>42,551</u>
Non-cash changes	<u>1</u>
Movement in net debt in the year	42,552
Net funds/(debt) at 1 January	95,276
Net funds at 31 December	<u><u>137,828</u></u>

22. CAPITAL COMMITMENTS

	2001 £	2000 £
At 31 December 2001, the group was committed to the following capital expenditure	-	145,000

On 2 March 2001, the directors agreed to invest us\$500,000 in Class 'A' shares in Solar Development Capital Limited.

	Capital Commitment £
As at 1 January 2001	-
Capital committed	500,000
Capital calls during the year	(17,500)
As at 31 December 2001	<u><u>482,500</u></u>
	£
Sterling equivalent	<u><u>333,149</u></u>

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 – to those rural communities in developing countries without access to a reliable electric grid.

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

23. OPERATING LEASE COMMITMENTS

At 31 December 2001 the group was committed to making the following payments during the next year in respect of operating leases:

Land and buildings	2001	2000
	£	£
Leases which expire - in over five years	16,360	16,206

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 (2000: £18,000). This amount is included in creditors at the year end.

Of this amount, £6,000 was recharged to each of The Wind Fund plc 's subsidiary companies during the year.

