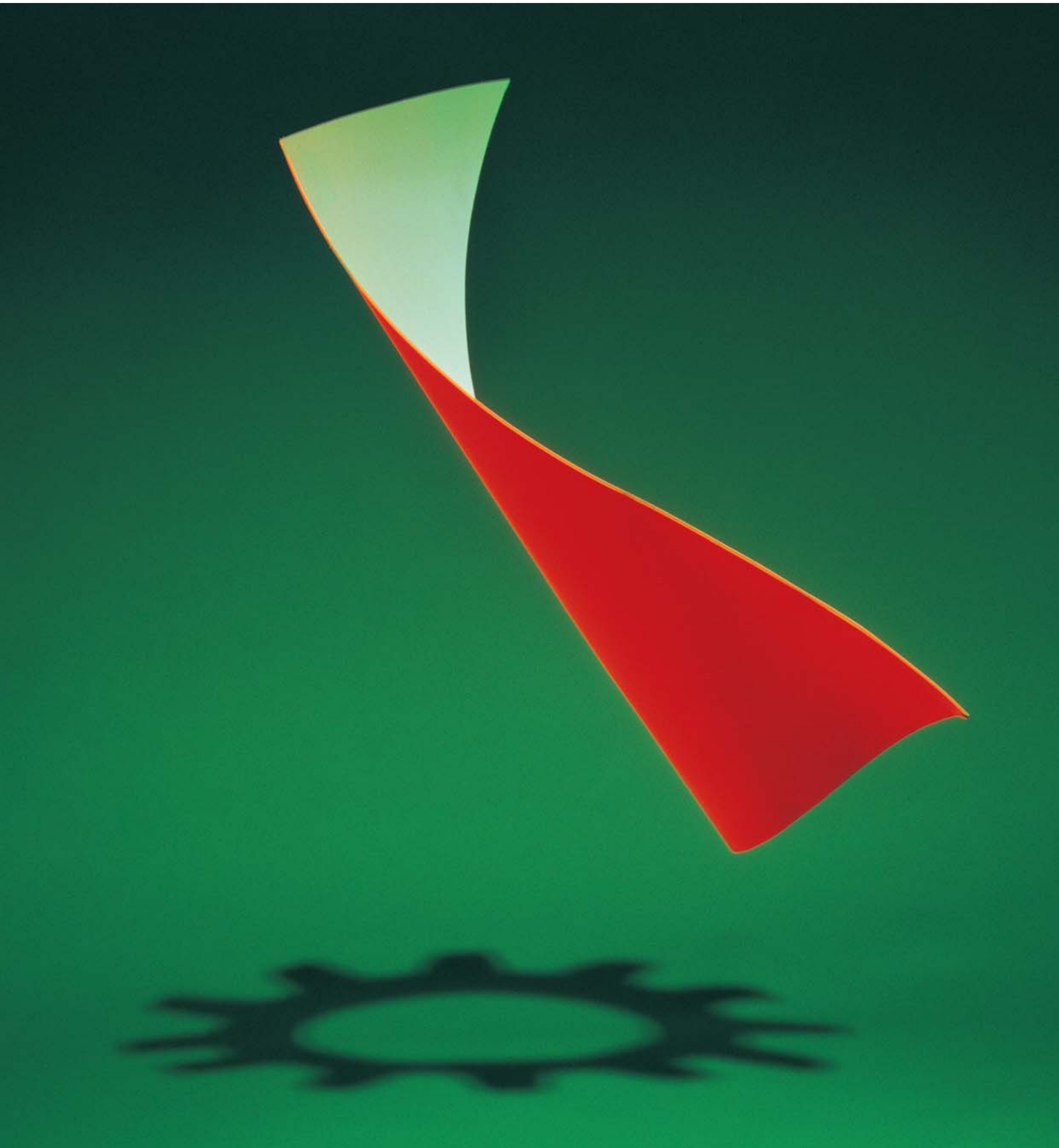
THE WindFund

ANNUAL REPORT 1999



Contents

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Registered in England and Wales no. 2978651

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Glen Saunders, Chairman,
The Wind Fund.

Chairman's report

The Wind Fund has been profitable in 1999 and there have been positive elements – not least the continuing support and interest of our shareholders at the 1998 AGM at the EcoTech Centre in Norfolk last October. However, it was not as good a year as we had hoped. We faced contractor difficulties at one project, a tough investment market, and potentially unhelpful developments in the national politics of renewable energy. These combined to take the shine off the optimism of past years.

It was a good, profitable year for our windcluster, Haverigg II, near Millom in Cumbria. This included a welcome cementing of our relationship with Baywind Energy Co-operative – the Cumbria-based community ownership initiative - with the completion of the sale of one of the four wind turbines to them under a long-standing arrangement. Our subsidiary, Haverigg II Ltd, continues to provide overall management for the windcluster.

The year was less positive for our hydro-electric project, Beochlich, in Argyll in Scotland. Disputes with the contractor over delays to completion of a reservoir dam resulted in operational difficulties which took time to resolve and, as a result, electricity sales were significantly lower than expected with the inevitable negative consequences for profitability. The construction of the reservoir dam is now taking place in Summer 2000 and we look forward to more profitable operation in the future.

We have also found it harder than anticipated to secure for investment new projects of good quality with reasonable returns. We do expect progress for The Wind Fund during 2000 in this regard but the current overhaul of Government policy towards renewable energy is not helping to establish a stable climate for long-term investment.

After so many positive noises towards renewables on the political front, the reality of the policy detail has been less encouraging as it has trickled out during the year. There are no signs that the role of small independent developments will receive the level of support which they have enjoyed in the past. Similarly, the complexities being introduced to electricity trading arrangements do not appear to favour the smaller players.

The Government seems to be placing its faith in 'big business', in the shape of the utilities, to deliver its objectives for renewable energy. We do not share this 'vision', believing instead that success and public support in planning will derive from a dynamic renewable energy industry which is diverse in its ownership and innovative in its approach to development.

It is too early to comment usefully on the implications for The Wind Fund of these developments. During 2000 we are monitoring developments closely to understand how the future policy and regulatory framework for renewables in the UK will affect the company's direction and priorities.

As you will see from the Directors' Report in the formal accounts, the Board of Directors are not recommending a dividend payment for 1999. While we do have modest distributable reserves, this recommendation is in line with the projected dividends in the Prospectus of the second (1998) Share Issue. We feel that it would be prudent at this stage in the company's development to retain our reserves and keep the balance sheet stronger for future years.

Glen Saunders, Chairman
July 2000

The projects

The Wind Fund plc has invested in two renewable energy projects to date.

HAVERIGG II WIND CLUSTER

Haverigg II is an extension to one of the first wind power developments in the UK. Located on a disused airfield on low lying coastal land near Millom in Cumbria, this new development was acquired by The Wind Fund in January 1998. Four new WindWorld W-4200/600KW turbines were installed during 1998 adding to the five already at the site.

Developed by Windcluster Ltd, the original 1.125 MW wind cluster (now known as 'Haverigg I') was commissioned in August 1992. The project has received widespread local support and is acknowledged to be one of the country's most environmentally sensitive and appropriately-sited wind energy developments. The site is still used for rough grazing by livestock.

With more than twice the capacity of the existing project, Haverigg II has been supplying power direct to the local grid since August 1998, matching the typical annual needs of more than 1,600 homes. Electricity output is sold under a Non-Fossil Fuel Obligation (NFFO) contract.

Haverigg II was set up as a company to enable community ownership. As owners, The Wind Fund represents a 'community of interest' in the project. A further dimension - a 'community of location' - was added to the ownership of the project when, in May 1999, The Wind Fund sold one of the turbines to the Baywind Energy Co-operative, which has shareholders concentrated in Cumbria.

Part of the wind cluster at Haverigg II

BEOCHLICH HYDROELECTRIC PROJECT

The Beochlich hydroelectric project is based in what is thought to be one of the best regions for small-scale hydro-power in Scotland.

The Beochlich burn runs in to the south east side of Loch Awe in Argyll in the west of Scotland. The burn falls steeply some 250m to the loch shore, draining water from a catchment area of 957 hectares of high plateau. The catchment area as a whole receives an average annual rainfall of 2,450mm.

With intake weirs diverting water from the Beochlich and Romach burns, almost 2 km of new ductile iron pipeline falling through 202m over its length feeds two Pelton wheel turbines, manufactured by Canyon Turbines in the USA. These produce 949 KW peak electrical output when running at maximum flow.

To confirm the low environmental impact of the development, habitat surveys and other assessments were commissioned. Water pipelines have been buried and the powerhouse is designed and sited for minimum visibility.

The electricity generated by Beochlich hydro is sold under a contract awarded under the first round of the Scottish Renewables Order and should meet the needs of about 1,200 homes.

The initial phase of construction was completed in January 1999. A new dam is being built in the summer of 2000 to form a storage reservoir. This will create approximately 2 days storage at peak output, enabling more systematic management of water flows and higher electricity production.

Water turbine like those installed at Beochlich

Officers and Professional Advisers

Directors

Glen Saunders
Tim Kirby
Teresa Anderson
Simon Roberts
John Harrison

Registered Office

Brunel House
11 The Promenade
Clifton
Bristol BS8 3NN

Solicitors

TLT Solicitors
Bush House
72 Prince Street
Bristol BS99 7JZ

Secretary

G Saunders

Bankers

Triodos Bank
Brunel House
11 The Promenade
Clifton
Bristol BS8 3NN

Auditors

Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

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

The group achieved a profit before taxation for the year to 31 December 1999 of £17,254 (1998: £12,901).

The Wind Fund plc invested in two projects during 1998 through subsidiary undertakings, The Wind Fund (Beochlich) Limited and Haverigg II Limited. These subsidiaries have been operating the projects during 1999.

The Wind Fund (Beochlich) Limited began operation of the hydro-electric project at Balliemeanoch, Argyll on 4 February 1999. It subsequently experienced difficulties with the construction contractor failing to complete the final phase of construction on schedule. Operation has continued in spite of this though the project suffered a lightning strike in September 1999 which resulted in a lengthy repair programme which was successfully completed in early December 1999.

On 21 January 1999, The Wind Fund plc purchased additional share capital of 20,000 shares in its subsidiary, Haverigg II Limited, which developed and operates a four turbine wind farm at Haverigg, Cumbria. One of the four wind turbines was sold to Baywind Energy Co-operative Limited on 1 May 1999.

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

RESULTS AND DIVIDENDS

The profit for the year after tax of £246 (1998: £11,297, nil tax) has been transferred to reserves. The directors do not recommend the payment of a dividend.

YEAR 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

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:

Glen Saunders	
Glyn England	(resigned 21 January 2000)
Tim Kirby	
Teresa Anderson	(appointed 28 April 1999)
Simon Roberts	(appointed 8 June 1999)
John Harrison	(appointed 4 October 1999)
Peter Blom	(resigned 21 May 1999)
Matthew Robinson	(resigned 14 January 2000)

DIRECTORS' INTERESTS IN SHARES

The directors' and their interests in the ordinary shares of the company at the beginning of the financial year, or date of appointment if later, and end of the financial year were:

	50p Ordinary shares fully paid	
	1999	**1998**
G Saunders	2,300	2,300
G England	300	-
T Kirby	-	-
T Anderson	-	-
S Roberts	-	-
J Harrison	2,000	-
M Robinson	325	325

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
and signed on behalf of the Board

G Saunders
Secretary
5 July 2000

S Roberts
Director
5 July 2000

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 8 to 19 which have been prepared under the accounting policies set out on page 12.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors are responsible for the preparation of financial statements. 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 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 1999 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, 12 July 2000
Chartered Accountants and Registered Auditors
Queen Anne House
69-71 Queen Square
Bristol BS1 4JP

Open Day at Haverigg II

Consolidated profit and loss account

Year ended 31 December 1999

	Note	Continuing operations 1999 £	1998 £
Turnover		**359,679**	**145,765**
Cost of sales		(220,435)	-
Gross profit		**139,244**	**145,765**
Administrative expenses		(83,488)	(108,379)
Operating profit	**3**	**55,756**	**37,943**
Profit on sale of fixed assets		42,500	557
Interest receivable		99,642	38,199
Interest payable	5	(180,644)	(63,241)
Profit on ordinary activities before taxation		17,254	12,901
Tax on profit on ordinary activities	6	(17,000)	-
Profit on ordinary activities after taxation		254	12,901
Equity minority interest		(8)	(1,604)
Retained profit for the year	16	246	11,297

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 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	2,784,345	3,451,753
Current assets			
Debtors	10	97,232	154,045
Cash at bank and in hand		2,283,881	1,588,844
		2,381,113	1,742,889
Creditors: amounts falling due after more than one year	11	(376,670)	(449,822)
Net current assets		2,004,443	1,293,067
Total assets less current liabilities		4,788,788	4,744,820
Creditors: amounts falling due after more than one year	12	(2,036,915)	(2,593,497)
Provisions for liabilities and charges	14	(17,000)	-
Minority interests			
Equity minority interests		(4,317)	(24,309)
Net assets		2,730,556	2,127,014
Capital and reserves			
Called up share capital	15	1,187,012	954,887
Share premium account	16	1,510,482	1,139,311
Profit and loss account	16	33,062	32,816
Equity shareholders' funds	17	2,730,556	2,127,014

These financial statements were approved by the Board of Directors on 5 July 2000
Signed on behalf of the Board of Directors

S Roberts
Director

Company balance sheet

At 31 December 1999

	Note	1999	1998
		£	£
Fixed assets			
Investments	9	812,370	792,370
Current assets			
Debtors	10	22,740	1,702
Cash at bank and in hand		**2,005,800**	**1,341,037**
		2,028,540	1,342,739
Creditors: amounts falling due within one year	11	(54,623)	(29,498)
Net current assets		1,973,917	1,313,241
Net assets		2,786,287	2,105,611
Capital and reserves			
Called up share capital	15	1,187,012	954,887
Share premium account		1,510,482	1,139,311
Profit and loss account		88,793	11,413
Equity shareholders' funds		**2,786,287**	**2,105,611**

These financial statements were approved by the Board of Directors on 5 July 2000
Signed on behalf of the Board of Directors

G Saunders
Secretary

S Roberts
Director

Consolidated cash flow statement

Year ended 31 December 1999

	Note	1999	1998
		£	£
Net cash inflow/(outflow) from operating activities	18	366,781	(19,440)
Returns on investments and servicing of finance			
Interest received		96,769	38,199
Interest paid		(180,644)	(63,241)
Net cash outflow from returns on investments and servicing of finance		(83,875)	(25,042)
Taxation			
UK corporation tax paid		-	(2,916)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(219,462)	(3,261,306)
Proceeds from sale of fixed assets		575,079	-
Net cash inflow/(outflow) from capital expenditure and financial investment		355,617	(3,261,306)
Acquisitions and disposals			
Increase in shares of subsidiary undertaking		(20,000)	-
Net cash inflow/(outflow) before financing		618,523	(3,308,704)
Financing			
Issue of share capital		602,256	1,607,676
New borrowings		173,779	2,759,740
Repayment of borrowings		(699,521)	(19,262)
Net cash inflow from financing		76,514	4,348,154
Increase in cash in the year	20	695,037	1,039,450

Notes to the accounts

Year ended 31 December 1999

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 1999. 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.

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

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 UK.

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

Operating profit is after charging:	1999 £	1998 £
Auditors' remuneration:		
- audit services	5,900	4,115
- other services including taxation	2,540	1,175
- depreciation	151,172	41,274
- other operating leases	18,297	6,507

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The emoluments of directors of the company were:	1999 £	1998 £
Directors' emoluments	5,550	8,290

No pension emoluments were paid on the behalf of directors.

Messrs G Saunders, M Robinson, S Roberts and P Blom 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 CHARGE

	1999 £	1998 £
Loans repayable after more than five years	180,644	63,241

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
UK corporation tax at 21% (1998: 21%)	-	-
Deferred taxation	17,000	-
	17,000	-

7. 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 £77,380 (1998: loss of £10,106).

8. TANGIBLE FIXED ASSETS

Group	Assets under course of construction	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 1999	1,325,405	2,167,622	3,493,027
Additions	16,343	-	16,343
Transfer to plant and machinery (on completion 4 February 1999)	(1,341,748)	1,341,748	-
Disposals	-	(551,805)	(551,805)
At 31 December 1999	-	2,957,565	2,957,565
Accumulated depreciation			
At 1 January 1999	-	41,274	41,274
Provision for the year	-	151,172	151,172
Disposals	-	(19,226)	(19,226)
At 31 December 1999	-	173,220	173,220
Net book value			
At 31 December 1999	**-**	**2,784,345**	**2,784,345**
At 31 December 1998	1,325,405	2,126,348	3,451,753

9. INVESTMENTS

Company

Investments in subsidiary undertakings at cost:	£
As at 1 January 1999	792,370
Additions	20,000
As at 31 December 1999	812,370

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 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.

10. DEBTORS

	Group 1999	Group 1998	Company 1999	Company 1998
	£	£	£	£
Called up share capital not paid	2,342	1,302	2,340	1,302
Trade debtors	82,517	60,472	-	-
Amounts owed by subsidiary undertakings	-	-	20,400	400
Other debtors	598	79,723	-	-
Prepayments and accrued income	11,775	12,548	-	-
	97,232	154,045	22,740	1,702

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 1999	Group 1998	Company 1999	Company 1998
	£	£	£	£
Bank loans	177,821	168,948	-	-
Trade creditors	97,958	129,264	-	-
Corporation tax	-	-	-	-
Other creditors including taxation and social security	39,466	14,740	22,977	-
Accruals and deferred income	61,425	136,870	31,645	29,428
	376,670	449,822	54,623	29,428

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

	Group 1999	Group 1998	Company 1999	Company 1998
	£	£	£	£
Loan notes	-	113,525	-	-
Bank loans	2,036,915	2,458,005	-	-
Trade creditors	-	21,967	-	-
	2,036,915	2,593,497	-	-

13. BORROWINGS

	1999	1998
Bank loans	£	£
Amounts payable:		
- due within one year	177,821	168,948
- due after more than one year	2,036,916	2,458,005
	2,214,737	2,626,953

13. BORROWINGS (continued)

Analysis of loan repayments	1999 £	1998 £
Bank loans and overdrafts:		
- within one year	177,821	168,948
- within one to two years	191,922	193,440
- within two to five years	673,933	689,118
- after five years	1,171,061	1,575,447
	2,214,737	2,626,953

Bank loans comprise of £2,214,737 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.

Loan notes of £113,525 were held by The Wind Company (UK) Limited who operate the wind turbines. These were redeemed at par upon the sale of one of the wind turbines by Haverigg II Limited.

14. PROVISIONS FOR LIABILITIES AND CHARGES

Group	At 1 January 1999 £	Charged to profit and loss account £	At 31 December 1999 £
Deferred taxation	-	17,000	17,000

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

	Provided		Unprovided	
	1999 £	1998 £	1999 £	1998 £
Accelerated capital allowances	276,000	-	-	-
Trading losses	(259,000)	-	-	-
	17,000	-	-	-

15. CALLED UP SHARE CAPITAL

	1999 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

	1999	1998
	£	£
Called up, allotted and fully paid		
Fully paid ordinary shares of £0.50 each	1,187,010	954,885
'A' ordinary share of £2 each	2	2
	1,187,012	954,887

During the year, 464,250 ordinary shares with an aggregate nominal value of £232,125 were issued fully paid for cash of £603,525.

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.

16. STATEMENT OF MOVEMENT ON RESERVES

	Share premium account	Profit and loss account
Group	£	£
At 1 January 1999	1,139,311	32,816
Retained profit for the year	-	246
Issue of share capital	371,400	-
Share issue costs	(229)	-
At 31 December 1999	**1,510,482**	**33,062**
At 1 January 1999	**1,139,311**	**11,413**
Retained profit for the year	-	77,380
Issue of share capital	371,400	-
Share issue costs	(229)	-
At 31 December 1999	**1,510,482**	**88,793**

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
Group	£	£
Profit for the financial year	246	11,297
New share capital subscribed (net of issue costs)	603,296	1,584,971
Net additions to shareholders' funds	603,542	1,596,268
Opening shareholders' funds	2,127,014	530,746
Closing shareholders' funds	**2,730,556**	**2,127,014**

Company	£	£
Profit/loss for the financial year	77,380	(10,106)
New share capital subscribed (net of issue costs)	603,296	1,584,971
Net additions to shareholders' funds	680,676	1,574,865
Opening shareholders' funds	2,105,611	530,746
Closing shareholders' funds	**2,786,287**	**2,105,611**

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1999	1998
	£	£
Operating profit	55,756	37,943
Decrease/(increase) in debtors	60,726	(154,045)
Increase in creditors	99,127	55,388
Depreciation	151,172	41,274
Net cash inflow/(outflow) from operating activities	**366,781**	**(19,440)**

19. ANALYSIS OF NET FUNDS/(DEBT)

	At 1 January 1999	Cash flow	Non-cash changes	At 31 December 1999
	£	£	£	£
Cash at bank and in hand	1,588,844	695,037	-	2,283,881
Debt due after one year	(2,571,530)	356,794	(177,821)	(2,036,915)
Debt due within one year	(168,948)	168,948	177,821	(177,821)
	(1,151,634)	1,220,779	-	69,145

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

	1999	1998
	£	£
Increase in cash in the year	695,037	1,039,450
Cash outflow/inflow from decrease/increase in debt	525,742	(2,740,478)
Change in net debt resulting from cash flows	1,220,779	(1,701,028)
Movement in net debt in the year	1,220,779	(1,701,028)
Net debt at 1 January	(1,151,634)	549,394
Net funds/(debt) at 31 December	**69,145**	**(1,151,634)**

21. CAPITAL COMMITMENTS

	1999	1998
	£	£
At 31 December 1999, the group was committed to the following capital expenditure	-	86,047

22. OPERATING LEASE COMMITMENTS

At 31 December 1999 the group was committed to making the following payments during the next year in respect of operating leases:

Land and buildings	1999	1998
	£	£
Leases which expire – in over five years	25,000	12,500

23. 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 £12,000 for this service (1998: £10,000). This amount is included in creditors at the year end.

The company has also entered into a share option agreement with Triodos Investments Limited, an associate of Triodos Deelnemingen BV. This gives 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.