REGISTERED NUMBER: 7167421

Report of the Directors and

Financial Statements for the year ended 31 December 2011

Balbourne Renewable Investments Limited

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COMPANIES HOUSE

Balbourne Renewable Investments Limited (Registered number: 7167421)

Contents
the year ended 31 December 2011

	Page
Report of the Directors	1
Statement of Directors' Responsibilities	3
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8

The directors present their annual report with the audited financial statements of Balbourne Renewable Investments Limited (the "company") for the year ended 31 December 2011

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company in the year under review was that of a holding company to its two subsidiaries, WilloWind Energy Limited and Balbourne Renewable Investments Scotland Limited, as well as that of a General Partner to Balbourne Wind Fund No 1 Limited Partnership (the "Fund") The directors do not expect any change in the company's activities in the foreseeable future

The company has taken advantage of the special exemption of the Companies Act 2006 for small sized companies not to produce a full enhanced business review The comparative data is for the period from 24 February 2010 to 31 December 2010

RESULTS AND DIVIDENDS

The profit for the year after tax of £382 (2010 loss of £4,000) is shown in the profit and loss account on page 6 No dividend was approved in the year (2010 £nil) and the directors do not recommend a final dividend

The financial position at the year end as disclosed in the balance sheet on page 7 was considered satisfactory by the directors

FINANCIAL RISK MANAGEMENT

The company earns fees for fund management which are paid by the Fund and incurs costs and expenses which are recharged to the Fund The Fund has adequate liquidity from fundraising undertaken through 2011 which has resulted in £8,963,000 of fund commitments from its Limited Partners as at the year end that had been fully drawn down The Fund had a further £1 1m of commitments received during the first quarter of 2012 through a further fundraising

During the course of the financial year the company had no debt except amounts due to group companies, no financial investments and no foreign exchange exposures The company expects this to remain the same over the course of 2012 The company's liquidity risk is detailed under 'going concern' below The company's credit risk exposure is in respect of its debtors and is monitored by the directors, whilst cash is held with reputable institutions

The risks of the company and its two subsidiaries are managed on a group basis by Balbourne Renewable Investments Limited, and not by each separate legal entity The directors have assessed that this group policy effectively controls the risk exposure of the company and its subsidiaries

GOING CONCERN

No material uncertainties that may cast doubt upon the ability of the company to continue as a going concern have been identified by the directors This decision has been based upon the review of longer term cash flow and profit and loss forecasts for a period of at least the next twelve months and the arrangements between the company and the Fund, which includes a commitment that had been to provide funding for the next twelve months to meet liabilities as they fall due

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

DIRECTORS

The directors of the company during the year under review and up to the date of this report were

S S Atwal
L W Neil

DIRECTORS' INDEMNITIES
The UK Group (WilloWind Energy Limited, Balbourne Renewable Investments Limited and Balbourne Renewable Investments Scotland limited) has made qualifying third party indemnity provisions for the benefit of its directors which were in force throughout the period and at the date of this report

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS
The auditors, Deloitte LLP, resigned during the year and BDO LLP were appointed in their place

The independent auditors, BDO LLP, have indicated their willingness to continue in office A resolution to reappoint BDO LLP as auditors will be proposed at the forthcoming directors' meeting to approve these financial statements

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:

S S Atwal - Director

Date 29 May 2012

30 St James's Square
London
SW1Y 4AL

Statement of directors' responsibilities
the year ended 31 December 2011

The directors are responsible for preparing the Report of the Directors 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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

We have audited the financial statements of Balbourne Renewable Investments Limited for the year ended 31 December 2011, which comprise profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditor's 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 statement of directors' responsibilities, 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 and express an opinion on 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

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

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 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial period 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 director's 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 and the directors' report in accordance with the small companies' regime

BDO LLP

Marc Reinecke (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date 31/5/2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Profit and Loss Account
the year ended 31 December 2011

	Note	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
TURNOVER	1	633,007	29,920
Cost of sales		(107,285)	-
GROSS PROFIT		525,722	29,920
Administrative expenses		(525,598)	(33,920)
OPERATING PROFIT / (LOSS)	2	124	(4,000)
Interest receivable and similar income		258	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		382	(4,000)
Tax on profit / (loss) on ordinary activities	6	-	-
PROFIT / (LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION	11,12	382	(4,000)

CONTINUING OPERATIONS
All amounts are in respect of continuing operations

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the results shown above and therefore no separate statement of total recognised gains and losses has been presented There are no differences between the profit /(loss) stated and the profit/(loss) on a historical cost basis

The notes on pages 8 to 13 form part of these financial statements

Balbourne Renewable Investments Limited (Registered number: 7167421)

Balance sheet
31 December 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	7	5	4
		5	4
CURRENT ASSETS			
Debtors	8	150,438	35,797
Cash at bank		110,222	-
		260,660	35,797
CREDITORS			
Amounts falling due within one year	9	(264,281)	(39,799)
NET CURRENT LIABILITIES		(3,621)	(4,002)
NET LIABILITIES		(3,616)	(3,998)
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss accounts	11	(3,618)	(4,000)
SHAREHOLDERS' DEFICIT	12	(3,616)	(3,998)

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved and authorised for issue by the board of directors on 28/5/2012 and signed on its behalf by

S. Atwal

S S Atwal - Director

The notes on pages 8 to 13 form part of these financial statements

1 ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards The principal accounting policies are set out below

Cash flow statement
The company has taken the exemptions available for small sized companies not to present a cash flow statement

Going concern
No material uncertainties that may cast doubt upon the ability of the company to continue as a going concern have been identified by the directors This decision has been based upon the review of longer term cash flow and profit and loss forecasts for a period of at least the next twelve months and the arrangements between the company and the Fund, which includes a commitment that had been to provide funding for the next twelve months to meet liabilities as they fall due The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Revenue recognition
Revenue is recognised on an accruals basis and is derived from fees and recoverable expenses charged to Balbourne Wind Fund No 1 Limited Partnership All turnover is in a single class of business and is all generated in the UK

Expenses
Expenses incurred have been recognised on an accruals basis

Taxation
Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted Deferred tax is not recognised when fixed assets are re-valued unless by the balance sheet date there is a binding agreement to sell the re-valued assets and the gain or loss expected to arise on sale has been recognised in the financial statements Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Fixed asset investments
Fixed asset investments are recognised at cost less provision for impairment The company does not present consolidated financial statements by virtue of size exemptions under Companies Act 2006

continued

2 OPERATING PROFIT / (LOSS)

The operating profit/(loss) is stated after charging

	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
Auditors' remuneration – audit services	2,000	2,000

3 STAFF COSTS

Employee costs excluding directors during the period amounted to

	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
Wages and salaries	111,650	-
Social security costs	13,450	-
	125,100	-

4 DIRECTORS' REMUNERATION

Directors' remuneration was paid in respect of the company as follows

	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
Emoluments	244,333	-
Highest paid director		
Emoluments	127,167	-

The directors are also remunerated for their services by other group companies

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
Bank interest	258	-

6 TAXATION

Analysis of the tax charge

	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
UK corporation tax	-	-

UK corporation tax has been charged at 26 5% (2010 – 28%)

Factors affecting the tax charge
The tax assessed for the year is lower than the standard effective rate of corporation tax in the UK The difference is explained below

	Year ended 31 December 2011 £	Period from 24 February 2010 to 31 December 2010 £
Profit / (loss) on ordinary activities before taxation	382	(4,000)
Profit / (loss) on ordinary activities multiplied by the standard rate of tax of 26 5%	101	(1,120)
Effects of		
Allocations from LLP	(301,256)	-
Impact of timing differences	16,973	-
Group relief surrendered for nil consideration	18,422	1,120
Losses brought forward	(380)	-
Unrelieved management expenses	266,139	-
Current tax charge for the period	-	-

7 INVESTMENTS

	2011 £	2010 £
Cost		
As at 1 January	4	-
Additions	1	4
As at 31 December	5	4

Included within the £5 investments above is an amount of £4 (2010 £4) relating to subsidiary undertakings, the addition related to the investment in Balbourne Wind Fund No 1 LP

The subsidiary undertakings comprise

	Country of incorporation	Class and proportion of shares held in subsidiary	Principal activity
Balbourne Renewable Investments Scotland Limited	Scotland	100% of ordinary share capital	General Partner for Limited Partnership
WilloWind Energy Limited	England and Wales	100% of ordinary share capital	Wind farm developer and operator

8 DEBTORS

	2011 £	2010 £
Amounts due from group undertakings	27,902	5,875
Prepayments and accrued income	25,873	29,920
Other debtors	96,663	2
	150,438	35,797

All amounts fall due within one year

9 CREDITORS· AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	9,794	-
Amounts due to Balbourne Wind Fund No 1 LP	32,954	35,795
Accruals and deferred income	151,427	4,000
Other creditors	68,930	4
VAT	1,176	-
	264,281	39,799

10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2011 £	2010 £
2	Ordinary Shares	£1	2	2

11 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At start of the period	(4,000)	-
Profit / (loss) for the period	382	(4,000)
At end of the period	(3,618)	(4,000)

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2011 £	2010 £
Profit / (loss) for the period	382	(4,000)
Shares issued	-	2
Net decrease/(increase) to shareholders' deficit	382	(3,998)
Opening shareholders' deficit	(3,998)	-
Closing shareholders' deficit	(3,616)	(3,998)

13 RELATED PARTY DISCLOSURES

The directors of the company have interests in companies in the Balbourne group and its affiliated companies Affiliated companies are companies which operate together under the Balbourne name The affiliated companies are WilloWind Energy Limited and Balbourne Renewable Investments Scotland Limited

As a subsidiary undertaking of Balbourne Holdings Limited, the company has taken advantage of the exemption in FRS 8 "Related party disclosure" from disclosing transactions with other members of the group headed by Balbourne Holdings Limited that are wholly owned

Balbourne Wind Fund No 1 LP is considered a related party of Balbourne Renewable Investments Limited as the company is the General Partner of the LP During the period, the General Partner invoiced the LP for fund raise fees and assets management fees totalling £561,927 and recharged the LP expenses totalling £120,430 The LP also paid expenses on behalf of the General Partner totalling £32,954 As at 31 December 2011, £32,954 (2010 - £35,975) was owed to the LP by Balbourne Renewable Investments Limited

Cedarwood4 Limited is considered a related party of Balbourne Renewable Investments Limited as it is run by the wife of Suki Atwal a director of the company During the year the company paid Consultancy fees to Cedarwood4 Limited of £11,380 As at 31 December 2011, nothing was owed by the company to Cedarwood4 Limited (2010 - £Nil)

AS2MB Limited is considered a related party of Balbourne Renewable Investments Limited as it is run by an employee the company During the year the company paid consultancy fees to AS2MB Limited £11,340 net of VAT As at 31 December 2011, nothing was owed by the company to AS2MB Limited (2010 - £Nil)

14 PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent undertaking and controlling party of the company is Balbourne Holdings Limited, which is the parent of the largest group that includes the company The accounts of Balbourne Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ