

REGISTERED NUMBER: 07167421

**Report of the Directors and
Financial Statements for the year ended 31 December 2012
Balbourne Renewable Investments Limited**



Balbourne Renewable Investments Limited (Registered number: 07167421)

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For the year ended 31 December 2012

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**Report of the Directors
For the year ended 31 December 2012**

The directors present their annual report with the audited financial statements of Balbourne Renewable Investments Limited (the "company") for the year ended 31 December 2012

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

RESULTS AND DIVIDENDS

The loss for the year after tax of £26,768 (2011 profit of £382) is shown in the profit and loss account on page 6 No dividend was approved in the year (2011 £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 company incurs additional administrative expenses which are not recharged The Fund has adequate liquidity from fundraising undertaken through 2011 and 2012 which has resulted in £10,041,000 of fund commitments from its Limited Partners as at the year end that had been fully drawn down (2011 £8,963,000)

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 2013 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

Balbourne Renewable Investments Limited (Registered number: 07167421)

**Report of the Directors
For the year ended 31 December 2012 (continued)**

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

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

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

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



S S Atwal - Director

Date *18 April 2013*

30 St James's Square
London
SW1Y 4AL

**Statement of Directors' Responsibilities
For the year ended 31 December 2012**

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, 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.

Balbourne Renewable Investments Limited**Report of the Independent Auditors to the Members**

We have audited the financial statements of Balbourne Renewable Investments Limited for the year ended 31 December 2012, which comprise the 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 2012 and of its loss 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

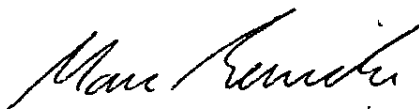
Balbourne Renewable Investments Limited

Report of the Independent Auditors to the Members

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime



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

Date 19/4/2013

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

Balbourne Renewable Investments Limited (Registered number: 07167421)

**Profit and Loss Account
For the year ended 31 December 2012**

	Note	2012 £	2011 £
TURNOVER	1	405,991	633,007
Cost of sales		<u>(11,950)</u>	<u>(107,285)</u>
GROSS PROFIT		394,041	525,722
Administrative expenses		<u>(420,940)</u>	<u>(525,598)</u>
OPERATING (LOSS)/PROFIT	2	(26,899)	124
Interest receivable and similar income	5	<u>131</u>	<u>258</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(26,768)	382
Tax on (loss)/ profit on ordinary activities	6	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	11,12	<u>(26,768)</u>	<u>382</u>

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 (loss)/profit stated and the (loss)/profit on a historical cost basis.

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

Balbourne Renewable Investments Limited (Registered number 07167421)

**Balance Sheet
31 December 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Investments	7	<u>5</u>	<u>5</u>
		5	5
CURRENT ASSETS			
Debtors	8	54,717	150,438
Cash at bank		<u>34,158</u>	<u>110,222</u>
		88,875	260,660
CREDITORS			
Amounts falling due within one year	9	<u>(119,264)</u>	<u>(264,281)</u>
NET CURRENT LIABILITIES		<u>(30,389)</u>	<u>(3,621)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(30,384)</u>	<u>(3,616)</u>
NET LIABILITIES		<u>(30,384)</u>	<u>(3,616)</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account	11	<u>(30,386)</u>	<u>(3,618)</u>
SHAREHOLDERS' DEFICIT	12	<u>(30,384)</u>	<u>(3,616)</u>

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 18 April 2013 and signed on its behalf by



S S Atwal - Director

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

Notes to the Financial Statements
For the year ended 31 December 2012

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. The 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 by the Fund 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.

Turnover

Turnover 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.

Notes to the Financial Statements (continued)
For the year ended 31 December 2012

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2012 £	2011 £
Auditors' remuneration – audit services	<u>2,000</u>	<u>2,000</u>

3 STAFF COSTS

Employee costs excluding directors during the year amounted to

	2012 £	2011 £
Wages and salaries	141,400	111,650
Social security costs	<u>17,542</u>	<u>13,450</u>
	<u>158,942</u>	<u>125,100</u>

The average number of employees in the year was 4 (2011 4)

4. DIRECTORS' REMUNERATION

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

	2012 £	2011 £
Emoluments	<u>162,000</u>	<u>244,333</u>
Highest paid director		
Emoluments	<u>81,000</u>	<u>127,167</u>

Notes to the Financial Statements (continued)
For the year ended 31 December 2012

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Bank interest	<u>131</u>	<u>258</u>

6. TAXATION

Analysis of the tax charge

	2012 £	2011 £
UK corporation tax	<u>-</u>	<u>-</u>

UK corporation tax has been charged at 24.5% (2011: 26.5%)

Factors affecting the tax charge

The tax assessed for the year differs to the standard effective rate of corporation tax in the UK. The difference is explained below:

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	<u>(26,768)</u>	<u>382</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of tax of 24.5% (2011: 26.5%)	(6,558)	101
Effects of:		
Allocations from LP	(154,627)	(301,256)
Impact of timing differences	715	16,974
Group relief surrendered for nil consideration	-	18,422
Losses brought forward	(274,340)	(380)
Unrelieved management expenses	<u>434,810</u>	<u>266,139</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

Notes to the Financial Statements (continued)
For the year ended 31 December 2012

7. INVESTMENTS

	2012 £	2011 £
Cost		
As at 1 January	5	4
Additions	-	1
As at 31 December	<u>5</u>	<u>5</u>

Included within the £5 investments above is an amount of £4 (2011 £4) relating to subsidiary undertakings. Balbourne Renewable Investments also holds a £1 share in Balbourne Wind Fund No 1 LP, but has no economic rights in the partnership.

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	Management Vehicle for Limited Partnership
WillowWind Energy Limited	England and Wales	100% of ordinary share capital	Wind farm developer and operator

8. DEBTORS

	2012 £	2011 £
Amounts due from group undertakings	39,546	27,902
Prepayments and accrued income	11,877	25,873
Other debtors	2	96,663
VAT	<u>3,292</u>	<u>-</u>
As at 31 December	<u>54,717</u>	<u>150,438</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	21,601	9,794
Amounts due to Balbourne Wind Fund No 1 LP	55,180	32,954
Accruals and deferred income	29,233	151,427
Other creditors	13,250	68,930
VAT	<u>-</u>	<u>1,176</u>
As at 31 December	<u>119,264</u>	<u>264,281</u>

Balbourne Renewable Investments Limited (Registered number: 07167421)**Notes to the Financial Statements (continued)**
For the year ended 31 December 2012

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2012 £	2011 £
2	Ordinary Shares	£1	<u>2</u>	<u>2</u>

11. PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At start of the year	(3,618)	(4,000)
(Loss)/profit for the year	<u>(26,768)</u>	<u>382</u>
At end of the year	<u>(30,386)</u>	<u>(3,618)</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2012 £	2011 £
(Loss)/profit for the year	<u>(26,768)</u>	<u>382</u>
Net movement to shareholders' deficit	(26,768)	382
Opening shareholders' deficit	<u>(3,616)</u>	<u>(3,998)</u>
Closing shareholders' deficit	<u>(30,384)</u>	<u>(3,616)</u>

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 year, the General Partner invoiced the LP for fund raise fees and assets management fees totalling £287,008 (2011 £561,927) and recharged the LP expenses totalling £118,983 (2011 £120,430). The LP also paid expenses on behalf of the General Partner totalling £55,180 (2011 £32,954). As at 31 December 2012 £55,180 (2011 £32,954) 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 £Nil (2011 £11,380). As at 31 December 2012, nothing was owed by the company to Cedarwood4 Limited (2011 £Nil).

AS2MB Limited is considered a related party of Balbourne Renewable Investments Limited as it is run by an employee of the company. During the year the company paid consultancy fees to AS2MB Limited £Nil (2011 £11,340). During the year a fee of £23,500 (2011 £Nil) owed by Balbourne Renewable Investments Limited to AS2MB Limited was written off by AS2MB Limited. As at 31 December 2012, nothing was owed by the company to AS2MB Limited (2011 £23,500).

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, Maundy, Cardiff CF14 3UZ.