

Registered number: 07167421

## **Balbourne Renewable Investments Limited**

**Directors' Report and Financial Statements**

**For the Year Ended 31 December 2014**

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# Balbourne Renewable Investments Limited

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## Balbourne Renewable Investments Limited

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### Directors' Report For the Year Ended 31 December 2014

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### 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 and Balbourne Wind No. 2 Limited Partnership (the "Funds"). 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 profit for the year after tax of £77,252 (2013: £63,498) is shown in the profit and loss account on page 6. No dividend was approved in the year (2013: £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 Funds and incurs costs and expenses which are recharged to the Funds. The company incurs additional administrative expenses which are not recharged. The Funds have generated funds from fundraising undertaken through 2011, 2012, 2013 and 2014 which has resulted in £13,033,505 (2013: £12,322,702) of fund commitments from its Limited Partners as at the year end that had been fully drawn down.

During the course of the financial year the company had no debt except amounts due to the Funds; no financial investments and no foreign exchange exposures. The company expects this to remain the same over the course of 2015. 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

Refer to note 1 of the financial statements.

#### Directors

The directors who served during the year 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

## Balbourne Renewable Investments Limited

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### Directors' Report For the Year Ended 31 December 2014

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were in force throughout the period and at the date of this report.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

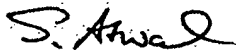
- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### Auditors

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

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

This report was approved by the board on 28 July 2015 and signed on its behalf.



S. S. Atwal  
Director

## **Balbourne Renewable Investments Limited**

### **Directors' Responsibilities Statement For the Year Ended 31 December 2014**

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The directors are responsible for preparing the Directors' Report 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALBOURNE RENEWABLE INVESTMENTS LIMITED**

We have audited the financial statements of Balbourne Renewable Investments Limited for the year ended 31 December 2014 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### ***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 2014 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALBOURNE RENEWABLE INVESTMENTS LIMITED (CONTINUED)**

**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 and to the exemption from the requirement to prepare a strategic report.



*Ryan Ferguson (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London*

*Date 28/7/15*

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

# Balbourne Renewable Investments Limited

## Profit and Loss Account

For the Year Ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1	461,150	540,326
Cost of sales		-	(64,500)
Gross profit		461,150	475,826
Administrative expenses		(384,056)	(412,457)
Operating profit	2	77,094	63,369
Interest receivable and similar income		158	129
Profit on ordinary activities before taxation		77,252	63,498
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	10	77,252	63,498

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

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



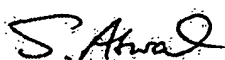
**Balbourne Renewable Investments Limited**  
**Registered Number: OC355838**

**Balance Sheet**  
**As at 31 December 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Investments	6		6		5
<b>Current assets</b>					
Debtors	7	228,590		80,373	
Cash in hand		12,023		123,187	
		<u>240,613</u>		<u>203,560</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(130,253)</u>		<u>(170,451)</u>	
<b>Net current assets</b>			<u>110,360</u>		<u>33,109</u>
<b>Net assets</b>			<u>110,366</u>		<u>33,114</u>
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss account	10		<u>110,364</u>		<u>33,112</u>
<b>Shareholders' funds</b>	11		<u>110,366</u>		<u>33,114</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
 26 July 2015



**S. S. Atwal**  
 Director

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

## Balbourne Renewable Investments Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2014

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#### 1. Accounting Policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### 1.3 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 twelve months together with the contractual arrangements between the company and the Funds, which include commitments by the Balbourne Wind Fund No. 1 Limited Partnership and Balbourne Wind No. 2 Limited Partnership 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.

##### 1.4 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 and Balbourne Wind Fund No. 2 Limited Partnership. All turnover is in a single class of business and is all generated in the UK.

##### 1.5 Expenses

Expenses incurred have been recognised on an accruals basis.

##### 1.6 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 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 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 substantially enacted by the balance sheet date.

## Balbourne Renewable Investments Limited

### Notes to the Financial Statements For the Year Ended 31 December 2014

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#### 1. Accounting Policies (continued)

##### 1.7 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.

#### 2. Operating profit

Operating profit is stated after charging:

	2014 £	2013 £
Auditor's remuneration - audit services	2,100	2,000
Directors' emoluments	140,601	118,006
	<u>142,701</u>	<u>120,006</u>

#### 3. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries including directors benefits in kind	306,484	303,369
Social security costs	30,376	34,205
	<u>336,860</u>	<u>337,574</u>

The average number of employees in the year was 4 (2013: 4).

#### 4. Directors' remuneration

	2014 £	2013 £
Emoluments and benefits in kind	<u>140,601</u>	<u>118,006</u>

The highest paid director received remuneration of £70,301 (2013 - £59,023).

## Balbourne Renewable Investments Limited

### Notes to the Financial Statements For the Year Ended 31 December 2014

#### 5. Taxation

##### Factors affecting tax charge for the year

The tax assessed for the year differs to the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	77,252	63,498
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%)	16,609	14,763
Effects of:		
Expenses not deductible for tax purposes	-	1,380
Allocations from LP	(183,880)	(158,538)
Change in rate	-	22,185
Utilised losses	(513,244)	(434,810)
Unrelieved management expenses	680,515	555,020
Current tax charge for the year	-	-

##### Factors that may affect future tax charges

There is a potential deferred tax asset totalling £611,792 (2013: £476,173) relating to unrelieved management expenses of £611,792 (2013: £477,437) less future income taxed in the year of final (2013: £1,264) which has not been recognised as there is insufficient evidence under FRS 19 of the availability of suitable profits in the foreseeable future. The main UK corporation tax rate from 1 April 2013 of 23% was reduced to 21% from 1 April 2014, resulting in an effective corporation tax rate of 21.50% for this accounting period. A number of changes to the UK corporation tax system were announced in the March 2013 Budget Statement. The Finance Act 2013, which was substantially enacted on 2 July 2013 includes legislation reducing the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. The potential deferred tax asset has been calculated at 20% (2013: 20%).

#### 6. Fixed asset investments

	Trade investments £
Cost or valuation	
At 1 January 2014	5
Additions	1
At 31 December 2014	6

## Balbourne Renewable Investments Limited

### Notes to the Financial Statements For the Year Ended 31 December 2014

#### 6. Fixed asset investments (continued)

Investments above of £6 includes an amount of £4 (2013: £4) relating to subsidiary undertakings. Balbourne Renewable Investments Limited also holds a nominal share in Balbourne Wind Fund No. 1 LP. Balbourne Renewable Investments Limited also holds a nominal share in Balbourne Wind no.2 LP, but has no economic rights in the these partnerships.

Subsidiary undertaking	Country of Incorporation	Class and proportion of shares held	Share capital £
Balbourne Renewable Investments Scotland Limited	Scotland	100% ordinary share capital	2
WillowWind Energy Limited	England and Wales	100% ordinary share capital	2
Balbourne Wind Fund No.1 LP	England and Wales	100% but no economic rights	1
Balbourne Wind no.2 LP	England and Wales	100% but no economic rights	1
			6

#### 7. Debtors

	2014 £	2013 £
Amounts due from Balbourne Wind Fund No.1 LP	70,000	-
Amounts owed by group undertakings	100,127	50,266
Accrued income due from Balbourne Wind No.2 LP	18,683	-
Accrued income due from Balbourne Wind Fund No.1 LP	24,069	-
VAT	4,844	7,831
Other debtors	785	244
Prepayments	10,080	22,032
Called up share capital due from Balbourne Holdings	2	-
	<u>228,590</u>	<u>80,373</u>

## Balbourne Renewable Investments Limited

### Notes to the Financial Statements For the Year Ended 31 December 2014

#### 8. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	16,110	36,859
Amounts owed to Balbourne Wind No.2 LP	30,174	-
Amounts due to Balbourne Wind Fund No.1 LP	48,186	29,085
Other creditors	5	17,957
Accruals and deferred income	35,778	86,550
	<u>130,253</u>	<u>170,451</u>

#### 9. Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

#### 10. Profit and loss account

	Profit and loss account £
At start of the year	33,112
Profit for the financial year	<u>77,252</u>
At 31 December 2014	<u>110,364</u>

#### 11. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds/(deficit)	33,114	(30,384)
Profit for the financial year	<u>77,252</u>	<u>63,498</u>
Closing shareholders' funds	<u>110,366</u>	<u>33,114</u>

## Balbourne Renewable Investments Limited

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### Notes to the Financial Statements For the Year Ended 31 December 2014

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#### 12. Related party transactions

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 Balbourne Wind Fund No. 1 LP. During the year, the company invoiced Balbourne Wind Fund No. 1 LP for asset management fees totalling £240,000 (2013: £240,000) and recharged Balbourne Wind Fund No. 1 LP expenses totalling £102,705 (2013: £108,170). The company also paid expenses on behalf of Balbourne Wind Fund No. 1 LP totalling £48,186 (2013: £29,085) paid by Balbourne Wind Fund No. 1 LP on behalf of the company). As at 31 December 2014 £48,186 (2013: £29,085) was owed to Balbourne Wind Fund No. 1 LP by the company. Additionally, included within accruals and deferred income is £nil (2013: £50,000) of deferred asset management fees from Balbourne Wind Fund No. 1 LP. Also included within accrued income is £24,069 (2013: £10,000) of asset management fees due from Balbourne Wind Fund No. 1 LP. Included within Debtors is £70,000 (2013: £nil) of management fees due from Balbourne Wind Fund No.1 LP.

Balbourne Wind Fund No. 2 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 company invoiced Balbourne Wind Fund No. 2 LP for asset management fees totalling £45,600 (2013: £12,453), fund raise fees totalling £nil (2013: £114,000), fund recharges totalling £72,844 (2013: £21,132). As at 31 December 2014 £30,174 (2013: £nil) was owed to Balbourne Wind Fund No. 2 LP by the company. Included within accrued income is £18,682 (2013: £nil) of asset management fees due from Balbourne Wind No.2 LP. Additionally, included within accruals and deferred income is £nil (2013: £11,400) of deferred asset management fees in respect of Balbourne Wind Fund No. 2 LP.

#### 13. 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 but is exempt from preparing consolidated financial statements due to its small group status. The accounts of Balbourne Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.