

REGISTERED NUMBER. 02560405 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2010
FOR
FIELDSTONE PRIVATE CAPITAL GROUP LTD

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for the year ended 31st December 2010

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FIELDSTONE PRIVATE CAPITAL GROUP LTD

COMPANY INFORMATION
for the year ended 31st December 2010

DIRECTORS

A R Muir
C Ferreira
J S A Smith-Maxwell

SECRETARY

E Salter

REGISTERED OFFICE

42 Queen Anne's Gate
London
SW1H 9AP

REGISTERED NUMBER

02560405 (England and Wales)

AUDITORS

Cameron Baum Limited
Chartered Accountants
Registered Auditor
88 Crawford Street
London
W1H 2EJ

REPORT OF THE DIRECTORS
for the year ended 31st December 2010

The directors present their report with the financial statements of the company for the year ended 31st December 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of corporate finance and project finance advisory services

REVIEW OF BUSINESS

Total advisory income for 2009 (including fee income from work through a joint venture with other group companies) remained at approximately the same level as in 2008 with the reduction in income from the joint venture being offset by an increase in success fees

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2010

FUTURE DEVELOPMENTS

The company continues to work with other Fieldstone group companies to strengthen the business in certain key geographical and business areas

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2010 to the date of this report

A R Muir
C Ferreira
J S A Smith-Maxwell

Other changes in directors holding office are as follows

M H Ernst - resigned 25th February 2010

COMPANY'S POLICY ON PAYMENT OF CREDITORS

Our suppliers are an extremely important factor in the success of the business. We do not have a standard or code which deals specifically with the payment of suppliers. We do however seek to abide by the payment terms agreed with the suppliers whenever we are satisfied that the suppliers have provided the goods or services in accordance with the agreed terms and conditions

FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks which result from both its operating and investing risks. The company's risk management is coordinated to secure the company's short to medium term cash flows by minimising its exposure to financial markets. The company does not engage in the trading of financial assets for speculative purposes nor does it trade in options

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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,
- 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

REPORT OF THE DIRECTORS
for the year ended 31st December 2010

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 auditors, Cameron Baum Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



J S A Smith-Maxwell - Director

Date

26 / 10 / 11

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FIELDSTONE PRIVATE CAPITAL GROUP LTD**

We have audited the financial statements of Fieldstone Private Capital Group Ltd for the year ended 31st December 2010 on pages five to fourteen. 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 a Report of the Auditors 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 set out on page two, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 31st December 2010 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Geoffrey Hollander (Senior Statutory Auditor)
for and on behalf of Cameron Baum Limited
Chartered Accountants
Registered Auditor
88 Crawford Street
London
W1H 2EJ

Date 26/10/2011

PROFIT AND LOSS ACCOUNT
for the year ended 31st December 2010

	Notes	2010 £	£	2009 £	£
TURNOVER			456,311		1,124,514
Cost of sales			55,000		185,726
GROSS PROFIT			401,311		938,788
Administrative expenses			609,690		2,020,314
			(208,379)		(1,081,526)
Other operating income			82,048		52,575
OPERATING LOSS	3		(126,331)		(1,028,951)
Income from participating interests		-		959,620	
Interest receivable and similar income		14,220		14,238	
			14,220		973,858
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(112,111)		(55,093)
Tax on loss on ordinary activities	4		-		2,990
LOSS FOR THE FINANCIAL YEAR			(112,111)		(58,083)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous years

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year

FIELDSTONE PRIVATE CAPITAL GROUP LTD (REGISTERED NUMBER 02560405)

BALANCE SHEET
31st December 2010

	Notes	£	2010	£	2009	£
FIXED ASSETS						
Tangible assets	5			567		1,633
Investments	6			580,963		463,032
				<u>581,530</u>		<u>464,665</u>
CURRENT ASSETS						
Debtors	7	775,482		858,864		
Cash at bank and in hand		75,306		113,657		
		<u>850,788</u>		<u>972,521</u>		
CREDITORS						
Amounts falling due within one year	8	208,046		100,803		
		<u>208,046</u>		<u>100,803</u>		
NET CURRENT ASSETS				<u>642,742</u>		<u>871,718</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>1,224,272</u>		<u>1,336,383</u>
CAPITAL AND RESERVES						
Called up share capital	10		913,960			913,960
Profit and loss account	11		310,312			422,423
			<u>1,224,272</u>			<u>1,336,383</u>
SHAREHOLDERS' FUNDS	13		<u>1,224,272</u>			<u>1,336,383</u>

The financial statements were approved by the Board of Directors on its behalf by

26 / 10 / 11

and were signed on



J S A Smith-Maxwell - Director

CASH FLOW STATEMENT
for the year ended 31st December 2010

	Notes	2010 £	2009 £
Net cash outflow from operating activities	1	(103,465)	(1,217,765)
Returns on investments and servicing of finance	2	14,220	973,858
Taxation		(2,990)	(4,796)
Capital expenditure and financial investment	2	(117,931)	(31,094)
		<u>(210,166)</u>	<u>(279,797)</u>
Financing	2	171,815	158,918
Decrease in cash in the period		<u><u>(38,351)</u></u>	<u><u>(120,879)</u></u>

Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(38,351)</u>	<u>(120,879)</u>
Change in net funds resulting from cash flows		<u>(38,351)</u>	<u>(120,879)</u>
Movement in net funds in the period		<u>(38,351)</u>	<u>(120,879)</u>
Net funds at 1st January		<u>113,657</u>	<u>234,536</u>
Net funds at 31st December		<u><u>75,306</u></u>	<u><u>113,657</u></u>

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31st December 2010

1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating loss	(126,331)	(1,028,951)
Depreciation charges	1,066	1,341
(Increase)/Decrease in debtors	(88,433)	64,716
Increase/(Decrease) in creditors	110,233	(254,871)
Net cash outflow from operating activities	(103,465)	(1,217,765)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	14,220	14,238
Share of joint venture profits	-	959,620
Net cash inflow for returns on investments and servicing of finance	14,220	973,858
Capital expenditure and financial investment		
Purchase of tangible fixed assets	-	(1,553)
Loan to associated company	(115,414)	(26,855)
Purchase of fixed asset investments	(2,517)	(2,686)
Net cash outflow for capital expenditure and financial investment	(117,931)	(31,094)
Financing		
Decrease in loans to group companies	171,815	158,918
Net cash inflow from financing	171,815	158,918

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	113,657	(38,351)	75,306
	113,657	(38,351)	75,306
Total	113,657	(38,351)	75,306

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st December 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of services, excluding value added tax

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life of three years

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Deferred tax assets are recognised only if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Comparative Figures

Where the presentation of the the financial statements has been amended in the current year, the comparative figures have been similarly amended

Joint Venture

The company's entitlement to its share of income from Joint Ventures is accounted for as Income from participating interest. The company does not account for the assets and liabilities of the joint venture on a line by line basis

2 STAFF COSTS

	2010 £	2009 £
Wages and salaries	216,736	1,096,416
Social security costs	25,672	138,347
	<u>242,408</u>	<u>1,234,763</u>

The average monthly number of employees during the year was as follows

	2010	2009
Professional staff	3	4
Administration	1	1
	<u>4</u>	<u>5</u>

3 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2010 £	2009 £
Depreciation - owned assets	1,066	1,341
Auditors' remuneration	11,000	13,000
Foreign exchange differences	<u>(14,548)</u>	<u>198,770</u>
Directors' remuneration	<u>142,609</u>	<u>642,009</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31st December 2010

4 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	-	2,990
	<u>-</u>	<u>2,990</u>
Tax on loss on ordinary activities	-	2,990
	<u>-</u>	<u>2,990</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Loss on ordinary activities before tax	(112,111)	(55,093)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2009 - 21%)	(23,543)	(11,570)
Effects of Expenses not deductible for tax	3,847	20,641
Capital allowances for period in excess of depreciation	(381)	(801)
Utilisation of tax losses	(2,986)	(5,280)
Loss carried forward	23,063	-
	<u>-</u>	<u>2,990</u>
Current tax charge	<u>-</u>	<u>2,990</u>

5 TANGIBLE FIXED ASSETS

	Short leasehold £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1st January 2010					
and 31st December 2010	16,757	30,697	73,683	101,205	222,342
	<u>16,757</u>	<u>30,697</u>	<u>73,683</u>	<u>101,205</u>	<u>222,342</u>
DEPRECIATION					
At 1st January 2010	16,757	30,697	73,683	99,572	220,709
Charge for year	-	-	-	1,066	1,066
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066</u>	<u>1,066</u>
At 31st December 2010	16,757	30,697	73,683	100,638	221,775
	<u>16,757</u>	<u>30,697</u>	<u>73,683</u>	<u>100,638</u>	<u>221,775</u>
NET BOOK VALUE					
At 31st December 2010	-	-	-	567	567
	<u>-</u>	<u>-</u>	<u>-</u>	<u>567</u>	<u>567</u>
At 31st December 2009	-	-	-	1,633	1,633
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,633</u>	<u>1,633</u>

6 FIXED ASSET INVESTMENTS

	2010 £	2009 £
Shares in group undertakings	180,194	180,194
Participating interests	28,229	25,712
Loans to undertakings in which the company has a participating interest	372,540	257,126
	<u>580,963</u>	<u>463,032</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31st December 2010

6 FIXED ASSET INVESTMENTS - continued

Additional information is as follows

	Shares in group undertakings £	Interest in associate undertakings £	Totals £
COST			
At 1st January 2010	180,194	25,712	205,906
Additions	-	1,755	1,755
Exchange differences	-	762	762
	<hr/>	<hr/>	<hr/>
At 31st December 2010	180,194	28,229	208,423
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 2010	180,194	28,229	208,423
	<hr/>	<hr/>	<hr/>
At 31st December 2009	180,194	25,712	205,906
	<hr/>	<hr/>	<hr/>

The company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Fieldstone Private Capital Group - Berlin (in GmbH)

Country of incorporation Germany

Nature of business Provision of consultancy services

	% holding	2010 £	2009 £
Class of shares	100 00		
Ordinary			
Aggregate capital and reserves		309,671	119,938
Profit for the year		150,888	116,782
		<hr/>	<hr/>

Associated Company

UkrWind Investment Ltd

Country of incorporation Cyprus

Nature of business Development and operation of wind energy plants

	% holding
Class of shares	24 90
Ordinary	

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31st December 2010

6 FIXED ASSET INVESTMENTS - continued

Joint Venture

Fieldstone Cahora Bassa

Based in Mozambique

Nature of business Project and corporate finance advisory services

	2010	2009
	% holding	% holding
Interest held	-	69 70

	2010	2009
	£	£
Aggregate capital and reserves	-	152,428
Profit for the year	-	1,376,846
	=====	=====

The company is a member of a joint venture with other members of the Group. The joint venture worked on a project that is based in Mozambique. The company is entitled to the profits of the joint venture in proportion to the interest held and has accounted for the income as Income from participating interest. The company does not account for the assets and liabilities of the joint venture on a line by line basis. The joint venture ceased operations on 31st December 2009.

	Loans to associates £
At 1st January 2010	257,126
Increase in loans	108,195
Exchange difference	7,219
At 31st December 2010	<u>372,540</u>

7 DEBTORS, AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade debtors	64,989	37,488
Other debtors	-	9,068
Amounts owed by group companies	577,021	748,836
Prepayments and accrued income	92,475	22,475
Deposits	40,997	40,997
	<u>775,482</u>	<u>858,864</u>

8 CREDITORS, AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	27,324	18,574
Tax	-	2,990
Social security and other taxes	1,357	8,404
VAT	21,067	-
Other creditors	115,334	35,000
Accrued expenses	42,964	35,835
	<u>208,046</u>	<u>100,803</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31st December 2010

9 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2010 £	2009 £
Expiring		
Within one year	-	89,960
Between one and five years	90,000	-
	<u>90,000</u>	<u>89,960</u>

10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	2010 £	2009 £
913,960	Ordinary		<u>913,960</u>	<u>913,960</u>

11 RESERVES

	Profit and loss account £
At 1st January 2010	422,423
Deficit for the year	(112,111)
At 31st December 2010	<u>310,312</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31st December 2010

12 RELATED PARTY DISCLOSURES

The directors consider that the company's ultimate controlling party is Fieldstone Capital Holdings Limited, a company incorporated in the British Virgin Islands

Amounts owed by group companies comprise	2010 £	2009 £
Fieldstone Mauritius	-	50,226
Fieldstone Private Capital Group Inc	-	261,222
Fieldstone Africa (Pty) Limited	486,052	313,528
Fieldstone GmbH	18,390	86,775
Fieldstone Capital Holdings Limited	71,838	37,085
Fieldstone Private Capital Group Sarl	741	-

Fees and interest receivable includes the following amounts from group companies	2010 £	2009 £
Fieldstone Mauritius (fees)	-	50,226
Fieldstone GmbH (interest)	757	3,169
Fieldstone Capital Holdings Limited (interest)	1,099	421
Fieldstone Private Capital Group Inc (interest)	12,257	4,324
Fieldstone Africa (Pty) Limited (interest)	-	5,969
Fieldstone Private Capital Group Sarl	2	-

The company has a Joint Venture with Fieldstone Africa (Pty) Limited and Fieldstone Private Capital Group Inc
 The accounts include the following transactions with the Joint Venture

	2010 £	2009 £
Share of Joint Venture profits	-	959,620

The company holds a \$551,255 (£356,338) and €18,924 (£16,202) promissory notes issued by UkrWind Investment Limited ("UkrWind"), an associated company which

- is subordinated to all other claims,
- matures on 15 September 2027,
- obligates UkrWind to repay all such outstanding notes pro rata after first paying all outstanding accrued interest,
- prohibits UkrWind from paying a dividend until all such notes are repaid,
- cannot be accelerated under any circumstances other than UkrWind's violation of its covenant not to pay dividends until the notes are repaid,
- pays interest at the same rate and terms charged by UkrWind on loans to its Subsidiaries, and cannot be transferred unless accompanied by the transfer of 50 Shares for each \$1,000 (or euro equivalent) face amount of loan transferred

Other creditors of £115,334 represents amounts owed to Mr J S A Smith-Maxwell and Mr A R Muir

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the financial year	(112,111)	(58,083)
Net reduction of shareholders' funds	(112,111)	(58,083)
Opening shareholders' funds	1,336,383	1,394,466
Closing shareholders' funds	1,224,272	1,336,383

14 CONSOLIDATED ACCOUNTS

No consolidated accounts have been prepared as the inclusion of the subsidiary undertaking is not material for the purpose of giving a true and fair view. The company has taken advantage of the exemptions provided by section 405 of the Companies Act