



energy for tomorrow's generation

First Renewables Limited

Report and financial statements

for the year ended 31 March 2010

Registered number 03715615

THURSDAY



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COMPANIES HOUSE

Directors and advisers

Directors

E J Wilkinson
D P Tilstone

Secretary

Everssecretary Limited
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Bankers

Barclays Bank Plc
1 Churchill Place
London
E14 5HP

Registered office

6 Deben Mill Business Centre
Old Maltings Approach
Woodbridge
Suffolk
IP12 1BL

Directors' report for the year ended 31 March 2010

The directors present their report and the audited financial statements for the company for the year ended 31 March 2010

Principal activities

The company's principal activity is that of intermediate holding company, owning 50% of the share capital of Yorkshire Windpower Limited. The company also provides management and administrative services to this joint venture.

Trading results and dividends

The company's profit for the financial year was £814,661 (2009: £1,275,884).

The directors do not recommend the payment of a dividend.

The results of the company for the year and financial position at the year-end were satisfactory.

Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, are given below:

E J Wilkinson

D P Tilstone

Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 is in force for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the company maintained a directors' and officers' liability insurance policy throughout the financial year.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with those of the group and are not managed separately. The group has an agreed formal risk management policy and framework that covers identification, mitigation, control, monitoring and review of risks on a regular basis. Further discussion of group wide risks is provided within the directors' report of MEIF Renewable Energy (Holdings) Limited which does not form part of this report.

Financial risk management

Given that the status of the company is that of a small holding company providing services to Energy Power Resources Limited, its parent company, it is exposed to limited financial risks. Those financial risks the group faces have been disclosed within the financial statements of MEIF Renewable Energy (Holdings) Limited for the year ended 31 March 2010. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the finance department of MEIF Renewable Energy (Holdings) Limited.

Directors' report for the year ended 31 March 2010

Statement of directors' responsibilities

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 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,
- 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.

Statement of disclosure of information to auditors

So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the next meeting of the board of directors.

By order of the board



E J Wilkinson

Director

23 September 2010

Independent auditors' report

to the members of First Renewables Limited

We have audited the financial statements of First Renewables Limited for the year ended 31 March 2010 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 3 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 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 31 March 2010 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 matter 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 auditors' report

to the members of First Renewables Limited

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

Nicholas Stevenson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 September 2010

Profit and loss account

for the year ended 31 March 2010

	Notes	2010 £	2009 £
Turnover	2	120,065	135,200
Administrative expenses		(34,304)	(36,631)
Operating profit	3	85,761	98,569
Income from shares in joint venture		750,000	1,200,000
Interest receivable and similar income	5	2,749	6,476
Profit on ordinary activities before taxation		838,510	1,305,045
Tax on profit on ordinary activities	6	(23,849)	(29,161)
Profit for the financial year	11	814,661	1,275,884

All items dealt with in the profit and loss account above relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

The company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been prepared

Balance sheet

as at 31 March 2010

	Notes	2010 £	2009 £
Fixed assets			
Investments	7	109,979	109,979
Current assets			
Debtors	8	7,651,282	6,875,520
Cash at bank and in hand		799	6,311
		<u>7,652,081</u>	<u>6,881,831</u>
Creditors amounts falling due within one year	9	(40,767)	(85,178)
Net current assets		<u>7,611,314</u>	<u>6,796,653</u>
Net assets		<u>7,721,293</u>	<u>6,906,632</u>
Capital and reserves			
Called up share capital	10	13,992,002	13,992,002
Profit and loss account	11	(6,270,709)	(7,085,370)
Total shareholders' funds	12	<u>7,721,293</u>	<u>6,906,632</u>

The financial statements on pages 6 to 13 were approved by the board of directors on 23 September 2010 and were signed on its behalf by



D P Tilstone
Director

Registered number 03715615

Notes to the financial statements

for the year ended 31 March 2010

1. Accounting policies

The financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. A summary of the more important accounting policies, which have been applied consistently, are set out below.

Group accounts

The company has taken advantage of the exception available under section 400 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the company's ultimate holding company is MEIF Renewable Energy (Holdings) Limited, a company established under UK law that prepares consolidated financial statements.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1, "Cash flow statements (revised 1996)", from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Investments

The company's investment in subsidiary undertakings is stated at cost less, where applicable, amounts written off to reflect the value of underlying net assets of the investment at the balance sheet date.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Group relief

Credits for amounts receivable in respect of tax losses surrendered to group companies are recognised in the year in which the losses are surrendered, as are charges in respect of tax losses claimed from group companies.

Financial instruments

As the company has not elected to adopt FRS 26, "Financial Instruments Measurement", it is entitled to, and has claimed exemption from, the disclosure requirements of FRS 25, "Financial Instruments". Financial assets and financial liabilities are recognised upon becoming a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors are non-interest bearing and are stated at their nominal value, as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade creditors

Trade creditors are not interest bearing and are stated at their nominal value.

Notes to the financial statements

for the year ended 31 March 2010

1. Accounting policies (continued)

Financial liabilities

Financial liabilities instruments are classified according to the substance of the contractual arrangements entered into

Equity interests

An equity interest is any contract that gives a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

2. Turnover

Turnover, which is wholly derived in the UK, comprises royalty payments and excludes value added tax

3. Operating profit

Operating profit is stated after charging the following

	2010 £	2009 £
Auditors' remuneration – audit services	100	593

4. Employee information

The company paid no remuneration or wages to its directors and had no other employees during the year

5. Interest receivable and similar income

	2010 £	2009 £
Interest from group undertakings	2,749	6,175
Bank interest received	-	301
	<u>2,749</u>	<u>6,476</u>

6. Taxation

a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
Group relief payable	24,532	29,161
Adjustment in respect of previous periods	322	-
Total current tax	<u>24,854</u>	<u>29,161</u>

Notes to the financial statements

for the year ended 31 March 2010

6. Taxation (continued)

b) Factors affecting current tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs to the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010	2009
	£	£
Profit on ordinary activities before taxation	838,510	1,305,045
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28% (2009 28%)	234,783	365,413
Effect of		
Adjustment in respect of previous periods	322	-
Depreciation in excess of capital allowances	(251)	(252)
Non-taxable income	(210,000)	(336,000)
Total current tax	24,854	29,161
Deferred tax		
Origination and reversal of timing differences	251	-
Adjustment in respect of previous periods	(1,256)	-
Total deferred tax (note 10)	(1,005)	-
Tax on profit on ordinary activities	23,849	29,161

c) Factors that may affect future tax charges

Significant timing differences are not anticipated for future periods. Announcements were made after the balance sheet date to changes in tax rates that will have an effect on future tax charges of the company. The change in the corporation tax rate from 28% to 24% reducing by 1% per annum has been announced and substantively enacted. The company has not quantified the impact of this change on the deferred tax balance at this stage.

d) Deferred tax

	2010	2009
	£	£
Depreciation in excess of capital allowances	1,005	-
Brought forward at 1 April	-	-
Deferred tax charge in profit and loss account for year	1,005	-
Carried forward at 31 March	1,005	-

Deferred tax has been calculated at 28% (2009 28%)

Notes to the financial statements

for the year ended 31 March 2010

7. Investments

	<i>Shares in associated undertakings</i>	<i>Loans to fellow subsidiary undertakings</i>	<i>Total</i>
	£	£	£
Cost and net book value			
At 1 April 2009 and 31 March 2010	50	109,929	109,979

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<i>Name of undertaking</i>	<i>Country of incorporation</i>	<i>Description of shares held</i>	<i>Proportion of nominal of value issued shares</i>
Yorkshire Windpower Limited	UK	Ordinary	50%

Additional disclosures are given in respect of Yorkshire Windpower Limited, which exceeds certain thresholds under FRS 9 "Associate and Joint Ventures", as follows

	<i>2010</i>	<i>2009</i>
	£	£
Share of		
Fixed assets	1,084,940	1,286,177
Current assets	470,154	540,042
Gross assets	1,555,094	1,826,219
Liabilities due within one year	(811,459)	(1,034,934)
Liabilities due after more than one year	(226,856)	(267,640)
Gross liabilities	(1,308,316)	(1,302,574)
Net assets	516,779	523,645

8. Debtors

	<i>2010</i>	<i>2009</i>
	£	£
Amounts owed by group undertakings	7,585,417	6,797,151
Prepayments and accrued income	64,860	78,369
Deferred tax (note 6)	1,005	-
	7,651,282	6,875,520

Amounts due from group undertakings are unsecured, interest free and have no fixed date of repayment

Notes to the financial statements

for the year ended 31 March 2010

9. Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	15,435	14,760
Group relief	24,532	69,243
Accruals and deferred income	800	1,175
	<u>40,767</u>	<u>85,178</u>

Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment

10. Share capital

	2010 £	2009 £
<i>Authorised</i>		
14,327,000 (2009 14,327,000) ordinary shares of £1 each	14,327,000	14,327,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
13,992,002 (2009 13,992,002) ordinary shares of £1 each	13,992,002	13,992,002
	<u> </u>	<u> </u>

11. Profit and loss account

	<i>Profit and loss account £</i>
At 1 April 2009	(7,085,370)
Profit for the financial year	814,661
	<u> </u>
At 31 March 2010	<u>(6,270,709)</u>

12. Reconciliation of movements in total shareholders' funds

	2010 £	2009 £
Profit for the financial year	814,661	1,275,884
Opening total shareholders' funds	6,906,632	5,630,748
	<u> </u>	<u> </u>
Closing total shareholders' funds	<u>7,721,293</u>	<u>6,906,632</u>

Notes to the financial statements

for the year ended 31 March 2010

13. Related party transactions

As a 100% owned subsidiary of Macquarie European Infrastructure Fund LP, the company has taken advantage of the exemption granted by FRS 8, "Related party disclosures", not to disclose transactions with related entities that are part of the group

14. Ultimate parent company

Energy Power Resources Limited is the immediate parent undertaking and Macquarie European Infrastructure Fund LP (an English limited partnership with its registered office at PO Box 60, Carinthia House, 9-12 The Grange, St Peter Port, Guernsey, GY1 4BF) is the ultimate parent undertaking

Energy Power Resources Limited is the holding company of the smallest group of undertakings for which group financial statements are drawn up and Macquarie European Infrastructure Fund LP is the holding company of the largest group of undertakings for which group financial statements are drawn up. Copies of the group financial statements may be obtained from the address above