

**GHH Group Holdings Ltd (Formerly
SIMEC GHH Limited)**

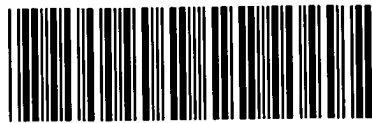
Financial Statements

Period Ended

31 December 2019

Company Number SC540972

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GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Company Information

Directors

S Green
A Reading
N Wakefield
I Cartwright
S Hutt

Registered number

SC540972

Registered office

CEF Building
Inveralmond Road
Inveralmond Industrial Estate
Perth
PH1 3TW

Independent auditor

BDO LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Bankers

National Westminster Bank Plc
1 Princes Street
London
EC2R 8BP

Solicitors

Shepherd and Wedderburn LLP
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Registered number: SC540972

Balance Sheet As at 31 December 2019

	Note	31 December 2019 £	31 December 2019 £	30 September 2018 £	30 September 2018 £
Fixed assets					
Investments	5		34,414,518		6,971,201
Current assets					
Debtors: amounts falling due after more than one year	6	60,112,102		3,131,000	
Debtors: amounts falling due within one year	6	201,827		11,487,749	
Cash at bank and in hand	7	17,422		1,178,215	
		<u>60,331,351</u>		<u>15,796,964</u>	
Creditors: amounts falling due within one year	8	(1,938,554)		(633,725)	
Net current assets			<u>58,392,797</u>		<u>15,163,239</u>
Total assets less current liabilities			<u>92,807,315</u>		<u>22,134,440</u>
Creditors: amounts falling due after more than one year	9		(117,262,107)		(46,212,001)
Net liabilities			<u>(24,454,792)</u>		<u>(24,077,561)</u>

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Registered number: SC540972

Balance Sheet (continued) As at 31 December 2019

	Note	31 December 2019 £	30 September 2018 £
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	(24,454,793)	(24,077,562)
Total equity		<u>(24,454,792)</u>	<u>(24,077,561)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



A Reading
Director

5/11/20

The notes on pages 3 to 11 form part of these financial statements.

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

1. General information

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited) is a private company limited by shares incorporated in Scotland, UK. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity is set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is GBP. The level of rounding is to the nearest pound.

The following principal accounting policies have been applied:

2.2 Period of account

These financial statements represent the 15 month period from 1 October 2018 to 31 December 2019. The prior period comparatives represent the 12 month period from 1 October 2017 to 30 September 2018.

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

2. Accounting policies (continued)

2.3 Going concern

The company made a loss during the period ended 31 December 2019 of £377,231 (year ended 30 September 2018 - £19,293,377) and at the balance sheet date the company had net current assets of £58,392,797 (year ended 30 September 2018 - £15,163,239) and net liabilities of £24,454,792 (year ended 30 September 2018 - £24,077,561).

The directors have assessed the impact of COVID-19 on the company. The company holds investments, directly, in a number of companies which are either operating or constructing hydro-electric power schemes. The company has debt funding from its parent company which is long term, covering a period of 25 years. These funds have been onward loaned to the subsidiaries. The ability of the company to meet these repayments to the parent company depends upon the subsidiaries being able to repay funds to the company which is driven by the performance of the individual schemes.

The directors have prepared a funding model for the operations of the schemes which covers the period 31 March 2059 and models income and expenditure as well as cash flows for this period for all of the schemes. As the cost base of the companies and the schemes are stable, sensitivities have been applied to the income levels to assess the level of headroom available should income fall by up to 30%. The operational schemes have agreements in place for the supply of electricity until 2021 which are renewed annually. As the electricity being generated is from renewable sources, this is prioritised over other types of electricity when there is overall reduced demand, as has been experienced during the lockdown period. While the company or its subsidiaries does not have any employees, the maintenance of the scheme is dependent upon the operations and maintenance contractor being able to carry out work and obtain any necessary parts. There have been no significant operational or maintenance issues during the period of the lockdown imposed by the Scottish Government.

As a result of these factors, the directors do not consider there to be a material uncertainty arising over the going concern basis of preparation.

2.4 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

2.5 Valuation of investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

2. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, other creditors or debtors are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Interest payable and finance costs

Interest payable is recognised in the statement of comprehensive income when owed to the lender.

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Interest income

Interest income is recognised in the statement of comprehensive income when income is receivable.

2.12 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income over the period of the life of the borrowing in question.

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

2. Accounting policies (continued)

2.13 Current and deferred taxation

Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Investments (see note 5)

Determine whether there are indicators of impairment on the company's investments. Factors taken into consideration on reaching such a decision include the economic viability and expected future financial performance of each investment.

4. Employees

The company has no employees other than the directors (year ended 30 September 2018 - none), who did not receive any remuneration (year ended 30 September 2018 - £Nil). The average number of employees during the year was 5 (year ended 30 September 2018 - 4).

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

5. Fixed asset investments

	Investments in subsidiary undertakings £
Cost	
At 1 October 2018	6,971,201
Additions	30,872,918
Disposals	(3,429,601)
At 31 December 2019	<u>34,414,518</u>
 Net book value	
At 31 December 2019	<u><u>34,414,518</u></u>

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

5. Fixed asset investments (continued)

Subsidiary undertakings and joint venture undertakings

The following were subsidiary and joint venture undertakings of the company:

Name	Previous name	Principal activity	Class of shares	Holding
Roroyere Hydro Ltd	SIMEC GHR Roroyere Limited	Generation of renewable energy	Ordinary	100%
Ceannacroc Hydro Ltd	SIMEC GHR Ceannacroc Hydro Limited	Generation of renewable energy	Ordinary	100%
Allt Mullardoch Hydro Ltd	SIMEC GHR Allt Mullardoch Hydro Limited	Generation of renewable energy	Ordinary	100%
Shenval Hydro Ltd	SIMEC GHR Shenval Hydro Limited	Generation of renewable energy	Ordinary	100%
Gleann nam Fiadh Hydro Ltd	SIMEC GHR Abhainn Gleann nam Fiadh Limited	Generation of renewable energy	Ordinary	100%
Keltneyburn Hydro Ltd	SIMEC GHR Keltneyburn Hydro Limited	Generation of renewable energy	Ordinary	100%
Nathrach Hydro Ltd	SIMEC GHR Nathrach Hydro Limited	Generation of renewable energy	Ordinary	100%
Coulags Hydro Ltd	SIMEC GHR Coulags Hydro Limited	Generation of renewable energy	Ordinary	100%
Lochaber Hydro Ltd	SIMEC GHR Lochaber Limited	Generation of renewable energy	Ordinary	100%
Lochaber Hydro 2 Ltd	SIMEC GHR Lochaber 2 Limited	Generation of renewable energy	Ordinary	100%
Argyll Hydro Ltd	GHR Argyll Limited	Construction of hydro electric scheme	Ordinary	100%
Barrs Hydro Ltd	GHR Barrs Hydro Limited	Construction of hydro electric scheme	Ordinary	100%
Etive Gridco Ltd	GHR Etive Gridco Limited	Development of grid connection	Ordinary	100%
Allt Garbh Hydro Limited	Green Highland Allt Garbh Limited	Generation of renewable energy	Ordinary	50%
Enrick Gridco Limited*	Enrick Gridco Limited	Provision of grid connection	Ordinary	33%

* Denotes companies in which Shenval Hydro Ltd owns the shareholding listed.

The registered office of all companies in this group is Inveralmond Road, Inveralmond Industrial Estate, Perth, PH1 3TW.

On 8 July 2019, the company disposed of its investments in the following joint ventures:

Achnacarry Hydro Ltd (Formerly Green Highland Renewables (Achnacarry) Ltd)
Coiltie Hydro Limited

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

6. Debtors

	31 December 2019 £	30 September 2018 £
Due after more than one year		
Amounts owed by group undertakings	57,321,102	-
Amounts owed by joint ventures and associated undertakings	2,791,000	3,131,000
	<u>60,112,102</u>	<u>3,131,000</u>

	31 December 2019 £	30 September 2018 £
Due within one year		
Amounts owed by group undertakings	200,148	-
Amounts owed by previous parent undertakings	-	11,461,941
Amounts owed by joint venture undertakings	-	21,507
Other debtors	1,678	4,300
Unpaid share capital	1	1
	<u>201,827</u>	<u>11,487,749</u>

7. Cash and cash equivalents

	31 December 2019 £	30 September 2018 £
Cash at bank and in hand	<u>17,422</u>	<u>1,178,215</u>

8. Creditors: amounts falling due within one year

	31 December 2019 £	30 September 2018 £
Bank loans	-	97,564
Trade creditors	5,298	344,734
Amounts owed to group undertakings	1,931,855	-
Other creditors	-	29,644
Accruals	1,401	161,783
	<u>1,938,554</u>	<u>633,725</u>

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

9. Creditors: amounts falling due after more than one year

	31 December 2019 £	30 September 2018 £
Bank loans	-	14,404,354
Loans due to group companies	117,262,107	-
Amounts owed to previous group undertakings	-	31,807,647
	<u>117,262,107</u>	<u>46,212,001</u>

Included in creditors are loans of £117,262,107 (year ended 30 September 2018 - £14,501,918) which are unsecured.

Bank loans held in the previous year were repaid in full on 8 July 2019 and a new loan issued by the parent company at the same date. Interest on the bank loans was payable at 3.01% per annum to the repayment date. Interest is payable on the parent company loan at 8.75% per annum. The loan is repayable in full on 8 July 2044.

10. Loans

Analysis of the maturity of loans is given below:

	31 December 2019 £	30 September 2018 £
Amounts falling due within one year		
Bank loans	-	97,564
Amounts falling due 1-2 years		
Bank loans	-	251,506
Amounts falling due 2-5 years		
Bank loans	-	14,152,848
Amounts falling due after more than 5 years		
Loans due to group companies	117,262,107	-
	<u>117,262,107</u>	<u>14,501,918</u>

GHH Group Holdings Ltd (Formerly SIMEC GHH Limited)

Notes to the Financial Statements For the Period ended 31 December 2019

11. Share capital

	31 December 2019 £	30 September 2018 £
Allotted, called up and unpaid		
1 ordinary share of £1	1	1

All ordinary shares are prescribed equal voting and dividend rights.

12. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Post balance sheet events

In December 2019 a novel strain of coronavirus 'COVID-19' presented and in the first quarter of 2020 the World Health Organisation declared COVID-19 as a global pandemic. The pandemic has interrupted the movement of people and goods throughout the world, and many levels of government are instituting restrictions on individuals and businesses. As the extent of the outbreak of COVID-19 was not known until post year end, the outbreak is being treated as a non-adjusting post balance sheet event. Further details regarding the impact on the company are disclosed in the directors' report and the going concern basis of preparation note.

14. Controlling party

The company's immediate parent is GHH Acquisitions Ltd (Formerly SIMEC GHR Acquisitions Limited). The ultimate parent and ultimate controlling party is Equitix Fund V LP, a limited partnership registered in the UK.

15. Auditor's information

The auditor's report on the financial statements for the period ended 31 December 2019 was unqualified.

The audit report was signed on ^{13 November} 2020 by Alastair Rae (Senior Statutory Auditor) on behalf of BDO LLP.