

DHG Hydro Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2018

DHG Hydro Limited

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DHG Hydro Limited
Company Information

Directors N S Curtis
J R McKellar

Company secretary J R McKellar

Registered office 7 St James's Gardens
London
W11 4RB

Accountants PJE Chartered Accountants
23 College Street
Lampeter
Ceredigion
SA48 7DY

DHG Hydro Limited
(Registration number: 03832634)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>3</u>	14,840,931	15,129,662
Investments		682,500	832,500
		<u>15,523,431</u>	<u>15,962,162</u>
Current assets			
Debtors	<u>5</u>	4,289,063	4,855,922
Cash at bank and in hand		-	442,720
		4,289,063	5,298,642
Creditors: Amounts falling due within one year	<u>6</u>	<u>(1,087,373)</u>	<u>(2,604,514)</u>
Net current assets		<u>3,201,690</u>	<u>2,694,128</u>
Total assets less current liabilities		18,725,121	18,656,290
Creditors: Amounts falling due after more than one year	<u>6</u>	<u>(4,906,714)</u>	<u>(5,263,788)</u>
Provisions for liabilities		<u>(2,000,112)</u>	<u>(2,093,673)</u>
Net assets		<u>11,818,295</u>	<u>11,298,829</u>
Capital and reserves			
Called up share capital		300,100	300,100
Revaluation reserve		8,657,555	8,657,555
Profit and loss account		<u>2,860,640</u>	<u>2,341,174</u>
Total equity		<u>11,818,295</u>	<u>11,298,829</u>

For the financial year ending 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 4 to 11 form an integral part of these financial statements.

DHG Hydro Limited
(Registration number: 03832634)
Balance Sheet as at 31 December 2018 (continued)

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.
The profit and loss account and directors' report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small and micro companies regime.

Approved and authorised by the Board on 28 February 2019 and signed on its behalf by:

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J R McKellar

Company secretary and director

The notes on pages 4 to 11 form an integral part of these financial statements.

DHG Hydro Limited
Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is incorporated in England & Wales.

The address of its registered office is:
7 St James's Gardens
London
W11 4RB

The company registration number is 03832634.

These financial statements were authorised for issue by the Board on 28 February 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis.

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and Buildings	2% on cost
Plant and Machinery etc.	33% on cost, 10% on cost and 2% on cost

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Amortisation

Asset class	Amortisation method and rate
Development costs	0% until ready for use

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

3 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2018	299,643	25,164	16,842,079	17,166,886
Additions	-	-	81,558	81,558
Disposals	-	(25,164)	-	(25,164)
At 31 December 2018	299,643	-	16,923,637	17,223,280
Depreciation				
At 1 January 2018	207,392	10,926	1,818,906	2,037,224
Charge for the year	3,870	-	352,181	356,051
Eliminated on disposal	-	(10,926)	-	(10,926)
At 31 December 2018	211,262	-	2,171,087	2,382,349
Carrying amount				
At 31 December 2018	88,381	-	14,752,550	14,840,931
At 31 December 2017	92,251	14,238	15,023,173	15,129,662

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Investments

	2018 £	2017 £
Investments in subsidiaries	682,500	832,500

As at 31 December 2017 the investments in subsidiaries were Dunan Power Company Limited - £826,500 (2016 - £676,500) and Canaird River Company Limited - £6,000 (2016 - £6,000).

Subsidiaries	£
Cost or valuation	
At 1 January 2018	832,500
Disposals	(150,000)
At 31 December 2018	682,500
Provision	
Carrying amount	
At 31 December 2018	682,500
At 31 December 2017	832,500

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Dunan Power Company Limited	7 St James' Gardens London W11 4RB England	Ordinary and Preference Shares	75%	75%

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Investments (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
Canaird River Company Limited	Langwell Lodge Langwell Estate Ullapool Wester Ross IV26 2TP Scotlans	Ordinary	60%	60%

The principal activity of Dunan Power Company Limited is Production of Hydro Electricity

The principal activity of Canaird River Company Limited is Production of Hydro Electricity

5 Debtors

	Note	2018 £	2017 £
Trade debtors		83,554	64,981
Amounts owed by group undertakings and undertakings in which the company has a participating interest		3,654,000	4,254,000
Other debtors		551,509	536,941
Total current trade and other debtors		<u>4,289,063</u>	<u>4,855,922</u>

6 Creditors

	Note	2018 £	2017 £
Due within one year			
Bank loans and overdrafts	7	353,783	170,922
Trade creditors		65,711	11,717
Taxation and social security		31,108	33,735
Accruals and deferred income		139,101	135,934
Other creditors		497,670	2,252,206
		<u>1,087,373</u>	<u>2,604,514</u>
Due after one year			
Loans and borrowings	7	<u>4,906,714</u>	<u>5,263,788</u>

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	4,906,714	5,256,819
Finance lease liabilities	-	6,969
	<u>4,906,714</u>	<u>5,263,788</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	164,489	164,489
Bank overdrafts	189,294	-
Finance lease liabilities	-	6,433
	<u>353,783</u>	<u>170,922</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.