

DHG Hydro Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2016

DHG Hydro Limited

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DHG Hydro Limited
Company Information

Directors J R McKellar
N S Curtis

Company secretary J R McKellar

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

Accountants PJE Chartered Accountants
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Ceredigion
SA48 7DY

DHG Hydro Limited
(Registration number: 03832634)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	<u>3</u>	-	313,133
Tangible assets	<u>4</u>	15,724,174	16,475,629
Investments		682,500	607,500
		<u>16,406,674</u>	<u>17,396,262</u>
Current assets			
Debtors	<u>6</u>	4,585,224	2,294,986
Cash at bank and in hand		499,719	766,358
		5,084,943	3,061,344
Creditors: Amounts falling due within one year	<u>7</u>	(2,956,458)	(312,172)
Net current assets		<u>2,128,485</u>	<u>2,749,172</u>
Total assets less current liabilities		18,535,159	20,145,434
Creditors: Amounts falling due after more than one year	<u>7</u>	(5,550,991)	(7,173,156)
Provisions for liabilities		2,430	(174,168)
Net assets		<u>12,986,598</u>	<u>12,798,110</u>
Capital and reserves			
Called up share capital		300,100	300,100
Revaluation reserve		10,688,340	10,688,340
Profit and loss account		1,998,158	1,809,670
Total equity		<u>12,986,598</u>	<u>12,798,110</u>

For the financial year ending 31 December 2016 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 14 form an integral part of these financial statements.

DHG Hydro Limited
(Registration number: 03832634)
Balance Sheet as at 31 December 2016 (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 companies regime.

Approved and authorised by the Board on 6 July 2017 and signed on its behalf by:

.....

J R McKellar

Company secretary and director

The notes on pages 4 to 14 form an integral part of these financial statements.

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DHG Hydro Limited
Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital 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 6 July 2017.

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 2016 (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 income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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 2016 (continued)

2 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

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.

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

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.

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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

3 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 January 2016	313,133	313,133
Additions acquired separately	160,822	160,822
Disposals	(473,955)	(473,955)
	<hr/>	<hr/>
At 31 December 2016	-	-
Amortisation		
Carrying amount		
At 31 December 2016	<hr/>	<hr/>
	-	-
At 31 December 2015	<hr/>	<hr/>
	313,133	313,133

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

4 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2016	298,543	20,694	17,410,414	17,729,651
Additions	-	25,434	28,382	53,816
Disposals	-	(20,965)	(396,717)	(417,682)
At 31 December 2016	298,543	25,163	17,042,079	17,365,785
Depreciation				
At 1 January 2016	186,498	10,482	1,057,042	1,254,022
Charge for the year	10,447	6,181	381,443	398,071
Eliminated on disposal	-	(10,482)	-	(10,482)
At 31 December 2016	196,945	6,181	1,438,485	1,641,611
Carrying amount				
At 31 December 2016	101,598	18,982	15,603,594	15,724,174
At 31 December 2015	112,045	10,212	16,353,372	16,475,629

5 Investments

	2016 £	2015 £
Investments in subsidiaries	682,500	607,500

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

5 Investments (continued)

Subsidiaries	£
Cost or valuation	
At 1 January 2016	607,500
Additions	<u>75,000</u>
At 31 December 2016	<u>682,500</u>
Provision	
Carrying amount	
At 31 December 2016	<u><u>682,500</u></u>
At 31 December 2015	<u><u>607,500</u></u>

6 Debtors

	Note	2016 £	2015 £
Trade debtors		81,137	123,718
Amounts owed by group undertakings and undertakings in which the company has a participating interest		4,134,000	1,194,000
Other debtors		<u>370,087</u>	<u>977,268</u>
Total current trade and other debtors		<u><u>4,585,224</u></u>	<u><u>2,294,986</u></u>

7 Creditors

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

7 Creditors (continued)

	Note	2016 £	2015 £
Due within one year			
Bank loans and overdrafts	<u>8</u>	170,922	170,748
Trade creditors		13,856	56,892
Taxation and social security		22,588	24,743
Other creditors		<u>2,749,092</u>	<u>59,789</u>
		<u>2,956,458</u>	<u>312,172</u>
Due after one year			
Loans and borrowings	<u>8</u>	<u>5,550,991</u>	<u>7,173,156</u>

8 Loans and borrowings

	2016 £	2015 £
Non-current loans and borrowings		
Bank borrowings	5,537,588	3,627,205
Finance lease liabilities	13,403	3,806
Other borrowings	<u>-</u>	<u>3,542,145</u>
	<u>5,550,991</u>	<u>7,173,156</u>

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

8 Loans and borrowings (continued)

	2016 £	2015 £
Current loans and borrowings		
Bank borrowings	164,489	164,489
Finance lease liabilities	6,433	6,259
	<u>170,922</u>	<u>170,748</u>

9 Transition to FRS 102

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The date of transition is 01 January 2015.

The transition to FRS 102 Section 1A small entities has resulted in a small number of changes in accounting policies to those used previously.

The nature of these changes and their impact on the opening equity and profit for the comparative period are explained in the notes below.

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

9 Transition to FRS 102 (continued)

Balance Sheet at 1 January 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets					
Intangible assets		586,705	-	-	586,705
Tangible assets		16,397,446	-	-	16,397,446
Investments		6,000	-	-	6,000
		<u>16,990,151</u>	<u>-</u>	<u>-</u>	<u>16,990,151</u>
Current assets					
Debtors		1,207,459	-	-	1,207,459
Cash at bank and in hand		472,325	-	-	472,325
		<u>1,679,784</u>	<u>-</u>	<u>-</u>	<u>1,679,784</u>
Creditors: Amounts falling due within one year		<u>(336,714)</u>	<u>-</u>	<u>-</u>	<u>(336,714)</u>
Net current assets		<u>1,343,070</u>	<u>-</u>	<u>-</u>	<u>1,343,070</u>
Total assets less current liabilities		18,333,221	-	-	18,333,221
Creditors: Amounts falling due after more than one year		<u>(6,506,826)</u>	<u>-</u>	<u>-</u>	<u>(6,506,826)</u>
Net assets		<u>11,826,395</u>	<u>-</u>	<u>-</u>	<u>11,826,395</u>
Capital and reserves					
Called up share capital		300,100	-	-	300,100
Revaluation reserve		10,688,340	-	-	10,688,340
Profit and loss account		837,955	-	-	837,955
Total equity		<u>11,826,395</u>	<u>-</u>	<u>-</u>	<u>11,826,395</u>

DHG Hydro Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

9 Transition to FRS 102 (continued)

Balance Sheet at 31 December 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	313,133	-	-	313,133
Tangible assets	16,475,629	-	-	16,475,629
Investments	607,500	-	-	607,500
	<u>17,396,262</u>	<u>-</u>	<u>-</u>	<u>17,396,262</u>
Current assets				
Debtors	2,120,818	-	-	2,120,818
Cash at bank and in hand	766,358	-	-	766,358
	<u>2,887,176</u>	<u>-</u>	<u>-</u>	<u>2,887,176</u>
Creditors: Amounts falling due within one year	<u>(312,172)</u>	<u>-</u>	<u>-</u>	<u>(312,172)</u>
Net current assets	<u>2,575,004</u>	<u>-</u>	<u>-</u>	<u>2,575,004</u>
Total assets less current liabilities	19,971,266	-	-	19,971,266
Creditors: Amounts falling due after more than one year	<u>(7,173,156)</u>	<u>-</u>	<u>-</u>	<u>(7,173,156)</u>
Net assets	<u>12,798,110</u>	<u>-</u>	<u>-</u>	<u>12,798,110</u>
Capital and reserves				
Called up share capital	300,100	-	-	300,100
Revaluation reserve	10,688,340	-	-	10,688,340
Profit and loss account	<u>1,809,670</u>	<u>-</u>	<u>-</u>	<u>1,809,670</u>
Total equity	<u>12,798,110</u>	<u>-</u>	<u>-</u>	<u>12,798,110</u>

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