

**Green Highland Renewables  
Limited**

Report and Financial Statements

Year Ended

30 September 2016

Company Number SC315779



## **Green Highland Renewables Limited**

### **Company Information**

<b>Directors</b>	A Reading I Cartwright M Mathieson D Whyte D Owens S Hutt
<b>Registered number</b>	SC315779
<b>Registered office</b>	CEF Building Inveralmond Road Inveralmond Industrial Estate Perth PH1 3TW
<b>Independent auditor</b>	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
<b>Solicitors</b>	Shepherd and Wedderburn LLP 5th Floor 1 Exchange Crescent Edinburgh EH3 8UL

# Green Highland Renewables Limited

## Statement of comprehensive income For the year ended 30 September 2016

	Note	2016 £	2015 £
Turnover		3,807,284	2,270,206
Cost of sales		(1,489,810)	(1,300,684)
<b>Gross profit</b>		<b>2,317,474</b>	<b>969,522</b>
Administrative expenses		(1,496,198)	(1,484,948)
Exceptional administrative expenses		(356,626)	(94,413)
Exceptional other operating income		44,755,212	-
<b>Operating profit/(loss)</b>		<b>45,219,862</b>	<b>(609,839)</b>
Finance income and interest receivable		3,010,586	9,726
Interest payable and expenses		(2,171,347)	(165,395)
<b>Profit/(loss) before tax</b>		<b>46,059,101</b>	<b>(765,508)</b>
Tax on profit/(loss)		-	3,476
<b>Profit/(loss) for the year</b>		<b>46,059,101</b>	<b>(762,032)</b>
<b>Total comprehensive income for the year</b>		<b>46,059,101</b>	<b>(762,032)</b>

The notes on pages 3 to 12 form part of these financial statements.

**Green Highland Renewables Limited**  
Registered number: SC315779

**Balance sheet**  
**As at 30 September 2016**

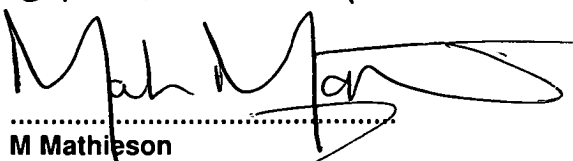
	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	4	26,065	39,522
Investments	5	2,941	1,446,852
		<u>29,006</u>	<u>1,486,374</u>
<b>Current assets</b>			
Work in progress		275,912	1,885,685
Debtors: amounts falling due after more than one year	6	73,165,410	375,000
Debtors: amounts falling due within one year	6	1,260,432	464,940
Cash at bank and in hand	7	8,504,448	1,317,800
		<u>83,206,202</u>	<u>4,043,425</u>
Creditors: amounts falling due within one year	8	<u>(3,414,370)</u>	<u>(768,062)</u>
<b>Net current assets</b>		<u>79,791,832</u>	<u>3,275,363</u>
<b>Total assets less current liabilities</b>		<u>79,820,838</u>	<u>4,761,737</u>
Creditors: amounts falling due after more than one year	9	(32,108,720)	(3,108,720)
<b>Net assets</b>		<u><u>47,712,118</u></u>	<u><u>1,653,017</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	15,338	15,338
Share premium account	11	-	3,966,149
Profit and loss account	11	47,696,780	(2,328,470)
		<u><u>47,712,118</u></u>	<u><u>1,653,017</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has not delivered a copy of the statement of comprehensive income to Companies House.

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

07th Feb 2017.



**M Mathieson**  
Director

The notes on pages 3 to 12 form part of these financial statements.

# **Green Highland Renewables Limited**

## **Notes to the financial statements For the year ended 30 September 2016**

### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standards 102 Section 1A Small Entities.

Information on the impact of first-time adoption of section 1A Small Entities in FRS 102 is given in note .

The preparation of financial statements in compliance with 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 date of transition to FRS 102 was 1 October 2014.

#### **1.2 Consolidated financial statements**

The company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements because the directors consider that the company's subsidiaries may be excluded from the consolidation as the group meets the criteria for that of a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

#### **1.3 Information regarding audit report**

An audit of the company's financial statements was carried out by BDO LLP as statutory auditor who reported to the company's members on ~~20/02/17~~. The auditor's report was signed by Alastair Rae as senior statutory auditor and was unqualified.

#### **1.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **1.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# **Green Highland Renewables Limited**

## **Notes to the financial statements For the year ended 30 September 2016**

### **1. Accounting policies (continued)**

#### **1.5 Tangible fixed assets (continued)**

Depreciation is provided on the following basis:

Plant and machinery	-	20% straight line
Motor vehicles	-	33% straight line
Fixtures and fittings	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### **1.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

#### **1.7 Work in progress**

Work in progress is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress includes labour and attributable overheads.

At each balance sheet date, work in progress is assessed for impairment. If work in progress is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### **1.8 Debtors**

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

#### **1.9 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.

#### **1.10 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 debtors and creditors, 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. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt

## **Green Highland Renewables Limited**

### **Notes to the financial statements For the year ended 30 September 2016**

#### **1. Accounting policies (continued)**

##### **1.10 Financial instruments (continued)**

instrument and subsequently at amortised cost.

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.

##### **1.11 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.

##### **1.12 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

##### **1.13 Pensions**

###### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### **1.14 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

##### **1.15 Borrowing costs**

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

# **Green Highland Renewables Limited**

## **Notes to the financial statements For the year ended 30 September 2016**

### **1. Accounting policies (continued)**

#### **1.16 Current and deferred taxation**

Tax is recognised in the statement of comprehensive income, 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.

#### **1.17 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. General information**

Green Highland Renewables Limited is a private company limited by shares, incorporated in Scotland and the address of its registered office and principal place of business is CEF Building, Inveralmond Road, Inveralmond Industrial Estate, Perth, PH1 3TW.

The principal activity of the company is the development of small and medium-sized hydro electric schemes and generation of renewable energy.

# Green Highland Renewables Limited

## Notes to the financial statements For the year ended 30 September 2016

### 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 and tangible fixed assets*

Determine where there are indicators of impairment of the company's investments and tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future potential performance of each investment or asset.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

### 4. Tangible fixed assets

	£
<b>Cost</b>	
At 1 October 2015	107,051
Additions	4,927
	<hr/>
At 30 September 2016	111,978
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<b>Depreciation</b>	
At 1 October 2015	67,529
Charge for the period on owned assets	18,384
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At 30 September 2016	85,913
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<b>Net book value</b>	
At 30 September 2016	26,065
	<hr/>
At 30 September 2015	39,522
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# Green Highland Renewables Limited

## Notes to the financial statements For the year ended 30 September 2016

### 5. Fixed asset investments

	£
<b>Cost</b>	
At 1 October 2015	1,446,852
Additions	11,030,818
Disposals	(12,474,729)
	<hr/>
At 30 September 2016	2,941
	<hr/>
<b>Net book value</b>	
At 30 September 2016	2,941
	<hr/>
At 30 September 2015	1,446,852
	<hr/>

Green Highland Renewables Limited is a designated member of the following dormant Limited Liability Partnerships:

Allt na H-Imrich (408) LLP (financial period end date of 31 March 2016)  
Shenval LLP (financial period end date of 30 September 2016)

The aggregate of the share capital and reserves as at 30 September 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Chaorach Holdings Limited	2,651,357	(2,052)
Chaorach Hydro Limited	(64,117)	(55,770)
Coiltie Hydro Limited	(11,506)	(11,506)
Green Highland Renewables (Loch Arkaig) Limited	902,088	(76,654)
Green Highland Allt Larairidh (1123) Limited	1	-
Green Highland Allt na H-Imrich (408) Limited	1	-
Abhainn Bheagaig Hydro Limited	1,000	-
Bruachaig Hydro Limited	840,584	11,426
Green Highland Allt na Lairige Limited	1	-
Liatric Burn Hydro Limited	643,339	4,290
Nathrach Hydro Limited	1	-
Allt Garbh Hydro Limited	1	-
Enrick Gridco Limited	3	-
	<hr/>	<hr/>
	4,962,753	(130,266)
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# Green Highland Renewables Limited

## Notes to the financial statements For the year ended 30 September 2016

### 6. Debtors

	2016 £	2015 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	73,165,410	375,000
	<u>73,165,410</u>	<u>375,000</u>
	2016 £	2015 £
<b>Due within one year</b>		
Trade debtors	251,333	283,421
Amounts owed by group undertakings	785,590	85,000
Other debtors	63,641	-
Prepayments and accrued income	156,392	93,042
Tax recoverable	3,476	3,477
	<u>1,260,432</u>	<u>464,940</u>

Debtors include £73,165,410 (2015 - £NIL) falling due after more than one year.

### 7. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	8,504,448	1,317,800
Less: credit card	(3,185)	(1,527)
	<u>8,501,263</u>	<u>1,316,273</u>

**Green Highland Renewables Limited**

**Notes to the financial statements  
For the year ended 30 September 2016**

**8. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Credit card	3,185	1,527
Trade creditors	181,358	94,367
Amounts owed to group undertakings	2,229,462	58,114
Taxation and social security	176,088	55,625
Other creditors	22,627	151,612
Accruals and deferred income	801,650	406,817
	<u>3,414,370</u>	<u>768,062</u>

**9. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Amounts owed to group undertakings	32,108,720	3,108,720
	<u>32,108,720</u>	<u>3,108,720</u>

**10. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
15,338 (2015 - 8,940) Ordinary shares of £1 each	15,338	8,940
6,398 Preferred A shares of £1 each	-	6,398
	<u>15,338</u>	<u>15,338</u>

During the year 6,398 Preferred A shares of £1 each were converted into 6,398 Ordinary shares of £1 each.

All Ordinary shares are prescribed equal voting and dividend rights.

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

**Green Highland Renewables Limited**

**Notes to the financial statements  
For the year ended 30 September 2016**

**11. Reserves**

**Share premium**

The share premium account includes the premium on issue of equity shares, net of any issue costs.

**Profit and loss account**

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

## **Green Highland Renewables Limited**

### **Notes to the financial statements For the year ended 30 September 2016**

#### **12. Related party transactions**

**Chaorach Hydro Limited (a company which is 49.90% controlled by Green Highland Renewables Limited)**

During the year the company provided services of £100,392 (2015 - £1,331,698) to Chaorach Hydro Limited and received payments of £95,700 (2015 - £1,322,374). At the balance sheet date the amount due from Chaorach Hydro Limited was £14,016 (2015 - £9,324).

**Coiltie Hydro Limited (a company which is 50.00% controlled by Green Highland Renewables Limited)**

During the year the company provided services of £67,413 (2015 - £107,786) to Coiltie Hydro Limited and received payments of £59,913 (2015 - £107,786). A loan was provided to Coiltie Hydro Limited from Green Highland Renewables Limited amounting to £30,000 (2015 - £85,000). At the balance sheet date the amount due from Coiltie Hydro Limited was £122,500 (2015 - £85,000).

**Green Highland Renewables (Loch Arkaig) Limited (a company which is 49.75% controlled by Green Highland Renewables Limited)**

During the year the company provided services of £66,465 (2015 - £636,988) to Green Highland Renewables (Loch Arkaig) Limited and received payments of £98,959 (2015 - £602,125). At the balance sheet date the amount due from Green Highland Renewables (Loch Arkaig) Limited was £2,369 (2015 - £34,863).

**Bruachaig Hydro Limited (a company which is 49.00% controlled by Green Highland Renewables Limited)**

During the year the company provided services of £1,093,099 (2015 - £Nil) to Bruachaig Hydro Limited and received payments of £1,083,567 (2015 - £Nil). At the balance sheet date the amount due from Bruachaig Hydro Limited was £9,532 (2015 - £Nil).

**Liattrie Burn Hydro Limited (a company which is 49.00% controlled by Green Highland Renewables Limited)**

During the year the company provided services of £629,737 (2015 - £Nil) to Liattrie Burn Hydro Limited and received payments of £619,944 (2015 - £Nil). At the balance sheet date the amount due from Liattrie Burn Hydro Limited was £9,793 (2015 - £Nil).

**Green Highland Renewables (Achnacarry) Limited (a company which is 49.90% controlled by Green Highland Hydro Limited, a company controlled by Raindance Acquisitions Limited, the immediate parent of Green Highland Renewables Limited)**

During the year the company provided services of £220,835 (2015 - £213,637) to Green Highland Renewables (Achnacarry) Limited and received payments of £233,547 (2015 - £194,230). At the balance sheet date the amount due from Green Highland Renewables (Achnacarry) Limited was £6,695 (2015 - £19,407).

**Green Highland Allt Garbh Limited (a company which is 49.75% controlled by Green Highland Hydro Limited, a company controlled by Raindance Acquisitions Limited, the immediate parent of Green Highland Renewables Limited)**

During the year the company provided services of £230,886 (2015 - £12,478) to Green Highland Allt Garbh Limited and received payments of £224,286 (£12,478). At the balance sheet date the amount due from Green Highland Allt Garbh Limited was £6,600 (2015 - £Nil).

#### **13. Controlling party**

The company's immediate parent is Raindance Acquisitions Limited.

The ultimate controlling party is Ancala Renewables Limited Partnership.

**Green Highland Renewables Limited**

**Schedule to the detailed accounts  
For the year ended 30 September 2016**

**14. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

At the date of transition there were 2,074 share options in place. During the year ended 30 September 2015 these were all surrendered and no options were in place at 30 September 2015. The fair value of these options at the transition was immaterial and therefore no adjustment has been made to these financial statements.