

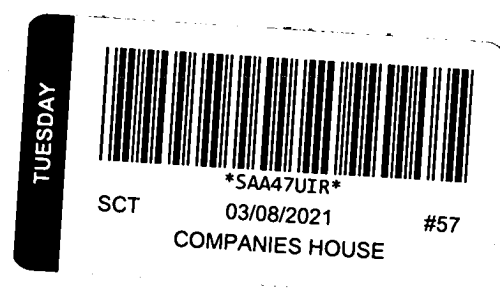
## **GHH Acquisitions Ltd**

**Financial Statements**

**Year Ended**

**31 December 2020**

**Company Number 09454130**



# GHH ACQUISITIONS LTD

## Company Information

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<b>Directors</b>	S Green N Wakefield
<b>Registered number</b>	09454130
<b>Registered office</b>	3rd Floor, South Building 200 Aldersgate Street London England EC1A 4HD
<b>Independent auditor</b>	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
<b>Bankers</b>	National Westminster Bank Plc 1 Princes Street London EC2R 8BP
<b>Solicitors</b>	Shepherd and Wedderburn LLP 1 Exchange Crescent Edinburgh EH3 8UL

# GHH ACQUISITIONS LTD

Registered number: 09454130

## Balance Sheet As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	5		14,935,941		14,935,941
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	6	124,506,126		117,218,281	
Debtors: amounts falling due within one year	6	1,487,527		1,951,855	
Cash at bank and in hand	7	3,195,994		1,360,931	
		<u>129,189,647</u>		<u>120,531,067</u>	
Creditors: amounts falling due within one year	8	(12,159,428)		(10,162,933)	
<b>Net current assets</b>			<u>117,030,219</u>		<u>110,368,134</u>
<b>Total assets less current liabilities</b>			<u>131,966,160</u>		<u>125,304,075</u>
Creditors: amounts falling due after more than one year	9	(112,393,555)		(107,313,991)	
<b>Net assets</b>			<u><u>19,572,605</u></u>		<u><u>17,990,084</u></u>
<b>Capital and reserves</b>					
Called up share capital	11	3,068,936		3,068,936	
Profit and loss account	12	16,503,669		14,921,148	
<b>Total equity</b>			<u><u>19,572,605</u></u>		<u><u>17,990,084</u></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 comprehensive income 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



**N Wakefield**  
Director

15/7/21

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

# GHH ACQUISITIONS LTD

## Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	3,068,936	14,921,148	17,990,084
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,582,521	1,582,521
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2020</b>	<b>3,068,936</b>	<b>16,503,669</b>	<b>19,572,605</b>

## Statement of Changes in Equity For the Period Ended 31 December 2019

	Called up share capital £	Capital reserve £	Profit and loss account £	Total equity £
At 1 October 2018	3,068,936	76,132	14,681,121	17,826,189
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	163,895	163,895
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	163,895	163,895
Transfer to/from profit and loss account	-	(76,132)	76,132	-
<b>Total transactions with owners</b>	-	(76,132)	76,132	-
<b>At 31 December 2019</b>	<b>3,068,936</b>	<b>-</b>	<b>14,921,148</b>	<b>17,990,084</b>

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

# **GHH ACQUISITIONS LTD**

## **Notes to the Financial Statements For the Year Ended 31 December 2020**

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### **1. General information**

GHH Acquisitions Ltd is a private company limited by shares incorporated in England and Wales, UK. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the directors' report.

The comparative financial statements cover the 15 month period from 1 October 2018 to 31 December 2019.

### **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 Going concern**

The company made a profit during the year of £1,582,521 (15 month period ended 31 December 2019 - £163,895) and at the balance sheet date had net current assets of £117,030,219 (31 December 2019 - £110,368,134) and net assets of £19,572,605 (31 December 2019 - £17,990,084).

The directors have assessed the impact of COVID-19 on the company. The company holds investments, indirectly, in a number of companies which are either operating or constructing hydro-electric power schemes. The company has debt funding from its parent company and banker which is long term, covering a period of 25 and 18 years respectively. These funds have been onward loaned to the subsidiaries. The ability of the company to meet these repayments to the parent company and bank 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 until 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 2022 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.

# **GHH ACQUISITIONS LTD**

## **Notes to the Financial Statements For the Year Ended 31 December 2020**

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

#### **2.3 Revenue**

Revenue represents management fee income receivable from subsidiary entities.

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.

#### **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, joint ventures and associates 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.

#### **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 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 accounts receivable and payable, 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 debtors and creditors, 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 income and retained earnings.

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.

# **GHH ACQUISITIONS LTD**

## **Notes to the Financial Statements For the Year Ended 31 December 2020**

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

#### **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 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

#### **2.12 Interest income**

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

#### **2.13 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### **2.14 Current and deferred taxation**

The current tax for the year comprises current and deferred tax.

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.

# **GHH ACQUISITIONS LTD**

## **Notes to the Financial Statements For the Year Ended 31 December 2020**

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

#### **2.14 Current and deferred taxation (continued)**

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 12)

Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in 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 (15 month period ended 31 December 2019 - none), who did not receive any remuneration from the company (15 month period ended 31 December 2019 - £Nil).



# GHH ACQUISITIONS LTD

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 5. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	14,935,941
At 31 December 2020	<u>14,935,941</u>
<b>Net book value</b>	
At 31 December 2020	<u><u>14,935,941</u></u>
At 31 December 2019	<u><u>14,935,941</u></u>

# GHH ACQUISITIONS LTD

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 5. Fixed asset investments (continued)

Name	Class of shares	Holding	Principal activity
GHH Group Holdings Ltd	Ordinary	100%	Holding company
Roroyere Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Ceannacroc Hydro Ltd *	Ordinary	100%	Generation of renewable energy
Allt Mullardoch Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Shenval Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Gleann nam Fiadh Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Keltneyburn Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Nathrach Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Coulags Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Lochaber Hydro Ltd*	Ordinary	100%	Generation of renewable energy
Lochaber Hydro 2 Ltd*	Ordinary	100%	Generation of renewable energy
Argyll Hydro Ltd*	Ordinary	100%	Construction of hydro electric scheme
Barrs Hydro Ltd*	Ordinary	100%	Construction of hydro electric scheme
Etive Gridco Ltd*	Ordinary	100%	Development of grid connection
Gleann a Chaolais Hydro Limited*	Ordinary	100%	Dormant
Allt Garbh Hydro Limited*	Ordinary	100%	Generation of renewable energy
Enrick Gridco Limited**	Ordinary	33%	Provision of grid connection

\*Denotes companies in which GHH Group Holdings Ltd owns the shareholding listed.

\*\*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.

# GHH ACQUISITIONS LTD

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 6. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	124,506,126	117,218,281
	<u>124,506,126</u>	<u>117,218,281</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	1,467,526	1,931,855
Prepayments	20,001	20,000
	<u>1,487,527</u>	<u>1,951,855</u>

### 7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>3,195,994</u>	<u>1,360,931</u>

### 8. Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	3,103,664	2,773,000
Trade creditors	2,634	-
Amounts owed to group undertakings	8,946,221	6,492,832
Amounts owed to previous group undertakings	-	570,020
Corporation tax	81,236	113,506
Other taxation and social security	1	15,816
Accruals and deferred income	25,672	197,759
	<u>12,159,428</u>	<u>10,162,933</u>

# GHH ACQUISITIONS LTD

## Notes to the Financial Statements For the Year Ended 31 December 2020

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

	2020 £	2019 £
Bank loans	98,344,407	93,607,230
Amounts owed to group undertakings	14,049,148	13,706,761
	<u>112,393,555</u>	<u>107,313,991</u>

Bank loans are secured against the full share capital of GHH Group Holdings Ltd. The loans are repayable in installments from 31 December 2019. The final repayment is due on 30 June 2036. Interest on the loan is charged at a rate of 1.7% plus LIBOR per annum.

GHH Acquisitions Midco Limited, the immediate parent company, provided a guarantee over the bank loan.

Loans owed to group undertakings were unsecured. 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:

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Bank loans	3,103,664	2,773,000
	<u>3,103,664</u>	<u>2,773,000</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	3,310,000	3,078,000
	<u>3,310,000</u>	<u>3,078,000</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	11,512,000	10,696,000
	<u>11,512,000</u>	<u>10,696,000</u>
<b>Amounts falling due after more than 5 years</b>		
Bank loans	83,522,407	79,833,230
Amounts owed to group undertakings	14,049,148	13,706,761
	<u>115,497,219</u>	<u>110,086,991</u>

# GHH ACQUISITIONS LTD

## Notes to the Financial Statements For the Year Ended 31 December 2020

### 11. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
3,068,936 ordinary shares of £1 each	<b>3,068,936</b>	<b>3,068,936</b>
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

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

### 13. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 14. Controlling party

The company's immediate parent is GHH Acquisitions Midco Ltd. 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 year ended 31 December 2020 was unqualified.

The audit report was signed on 20 July 2021  
BDO LLP.

by Alastair Rae (Senior Statutory Auditor) on behalf of