

**BALAGOWAN HYDRO LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**  
**PAGES FOR FILING WITH REGISTRAR**



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**10 MAR 2021**

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# **BALAGOWAN HYDRO LIMITED**

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# BALAGOWAN HYDRO LIMITED

## BALANCE SHEET

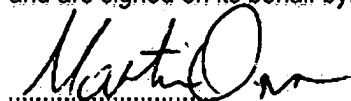
AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3		1,382,702		1,468,475
<b>Current assets</b>					
Debtors	4	118,356		108,768	
Cash at bank and in hand		28,399		41,793	
		<u>146,755</u>		<u>150,561</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(29,677)</u>		<u>(29,992)</u>	
<b>Net current assets</b>			117,078		120,569
<b>Total assets less current liabilities</b>			<u>1,499,780</u>		<u>1,589,044</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(1,551,607)		(1,648,076)
<b>Provisions for liabilities</b>	7		<u>(45,515)</u>		<u>(42,791)</u>
<b>Net liabilities</b>			<u><u>(97,342)</u></u>		<u><u>(101,823)</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Profit and loss reserves	10		<u>(97,343)</u>		<u>(101,824)</u>
<b>Total equity</b>			<u><u>(97,342)</u></u>		<u><u>(101,823)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 9 February 2021 and are signed on its behalf by:



M Orr  
Director

Company Registration No. SC485598

# BALAGOWAN HYDRO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

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	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2018	1	(70,958)	(70,957)
<b>Year ended 31 March 2019:</b>			
Loss and total comprehensive income for the year	-	(30,866)	(30,866)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	1	(101,824)	(101,823)
<b>Year ended 31 March 2020:</b>			
Profit and total comprehensive income for the year	-	4,481	4,481
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	<hr/> <hr/> 1	<hr/> <hr/> (97,343)	<hr/> <hr/> (97,342)

# BALAGOWAN HYDRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

##### Company information

Balagowan Hydro Limited is a private company limited by shares incorporated in Scotland. The registered office is 4 Melville Crescent, Edinburgh, EH3 7JA.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Wemyss Development Company Limited. These consolidated financial statements are available from its registered office, 4 Melville Crescent, Edinburgh, EH3 7JA.

##### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The net liabilities position in the current year is due to amounts due to group undertakings of £1,570,057 (2019: £1,666,076). Whilst these amounts remain repayable on demand, the directors have received confirmation from the other group companies that there is no intention that they will be recalled in such a way that would prevent Balagowan Hydro Limited from meeting its obligations as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors have considered the implications of the ongoing COVID-19 pandemic and are satisfied that this does not impact the company's ability to continue to operate as a going concern and meet liabilities as these fall due.

# BALAGOWAN HYDRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies (Continued)

#### 1.3 Turnover

Turnover represents the sale of electricity from the supply and generation of hydro electric power net of VAT, being the value of units supplied during the period.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Hydro facilities plant	5% straight line basis
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#### 1.5 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

# BALAGOWAN HYDRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# BALAGOWAN HYDRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 0 (2019 - 0)

### 3 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	1,679,728
<b>Depreciation and impairment</b>	
At 1 April 2019	211,253
Depreciation charged in the year	85,773
At 31 March 2020	297,026
<b>Carrying amount</b>	
At 31 March 2020	1,382,702
At 31 March 2019	1,468,475



# BALAGOWAN HYDRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 4 Debtors

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Amounts due from group undertakings	45,804	45,804
Accrued income and prepayments	72,552	62,964
	<u>118,356</u>	<u>108,768</u>

### 5 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	5,577	6,842
Amounts due to parent undertakings	18,450	18,000
Other creditors	5,650	5,150
	<u>29,677</u>	<u>29,992</u>

### 6 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Amounts due to parent undertakings	<u>1,551,607</u>	<u>1,648,076</u>

The long-term loans are unsecured, incur interest at 4% and are repayable on demand.

### 7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
<b>Balances:</b>		
Accelerated capital allowances	<u>45,515</u>	<u>42,791</u>
<b>Movements in the year:</b>		2020
		£
Liability at 1 April 2019		42,791
Charge to profit or loss		2,724
Liability at 31 March 2020		<u>45,515</u>

# BALAGOWAN HYDRO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 7 Deferred taxation

(Continued)

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

### 8 Called up share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary share of £1 each	1	1

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Irvine Spowart.  
The auditor was Johnston Carmichael LLP.

### 10 Profit and loss reserve

Profit and loss reserves are the cumulative net profits in the statement of comprehensive income.

Movements on these reserves are set out in the statement of changes in equity.

### 11 Controlling party

The company's immediate parent undertaking is Wemyss Renewables Limited, a company registered in Scotland. the company's ultimate parent undertaking is The Wemyss Development Company Limited, a company registered in Scotland.

In the directors' opinion, the company has no ultimate controlling party.