Company Registration No. 09022221 (England and Wales)

Ben Glas Power Limited

Annual report and financial statements for the year ended 30 September 2018

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Saffery Champness
CHARTERED ACCOUNTANTS

Ben Glas Power Limited

Company information

Directors	Charles Crewdson Carl Crompton
Company number	09022221
Registered office	Canal Head North Kendal Cumbria LA9 7BZ
Independent auditor	Saffery Champness LLP Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Bankers	Barclays Bank plc 9 Highgate Kendal Cumbria LA9 4DF
Solicitors	Brodies LLP 15 Atholl Crescent Edinburgh EH3 8HA

Ben Glas Power Limited

Contents

The directors present their annual report and financial statements for the year ended 30 September 2018.

Principal activities
The principal activity of the company is that of the generation and sale of renewable energy.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Charles Crewdson
Carl Crompton

Auditor
Saffery Champness LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006. The auditor is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Charles Crewdson
Director
22 January 2019

Independent auditor's report
To the members of Ben Glas Power Limited

Opinion

We have audited the financial statements of Ben Glas Power Limited (the 'company') for the year ended 30 September 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Ben Glas Power Limited

Independent auditor's report (continued)
To the members of Ben Glas Power Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

The financial statements of Ben Glas Power Limited for the year ended 30 September 2017 were unaudited.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Hughes

David Hughes (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

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Chartered Accountants
Statutory Auditors

Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9BA

Ben Glas Power Limited

Income statement
For the year ended 30 September 2018

	Notes	2018 £	2017 as restated £
Turnover		703,847	569,994
Administrative expenses		(224,124)	(226,034)
Operating profit		479,723	343,960
Interest payable and similar expenses	3	(207,678)	(144,478)
Profit before taxation		272,045	199,482
Tax on profit		(33,394)	(56,500)
Profit for the financial year		238,651	142,982

Ben Glas Power Limited

Statement of financial position
As at 30 September 2018

	Notes	2018 £	2018 £	2017 as restated £	2017 as restated £
Fixed assets					
Tangible assets	4		3,697,294		3,774,321
Current assets					
Debtors	5	156,004		149,782	
Cash at bank and in hand		7,151		232,820	
		163,155		382,602	
Creditors: amounts falling due within one year	6	(71,138)		(20,519)	
Net current assets			92,017		362,083
Total assets less current liabilities			3,789,311		4,136,404
Creditors: amounts falling due after more than one year	7		(2,521,311)		(3,034,039)
Provisions for liabilities			(89,894)		(56,500)
Net assets			1,178,106		1,045,865
Capital and reserves					
Called up share capital	8		10,000		10,000
Equity reserve			940,845		900,439
Profit and loss reserves			227,261		135,426
Total equity			1,178,106		1,045,865

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

Statement of financial position (continued)
As at 30 September 2018

The financial statements were approved by the board of directors and authorised for issue on 22 January 2019 and are signed on its behalf by:

Charles Crewdson
Director

Company Registration No. 09022221

Statement of changes in equity
For the year ended 30 September 2018

	Notes	Share capital	Equity reserve	Profit and loss reserves	Total
		£	£	£	£
As restated for the period ended 30 September 2017:					
Balance at 1 October 2016		10,000	-	(7,556)	2,444
Prior year adjustment		-	900,439	-	900,439
As restated		10,000	900,439	(7,556)	902,883
Year ended 30 September 2017:					
Profit and total comprehensive income for the year		-	-	142,982	142,982
Balance at 30 September 2017		10,000	900,439	135,426	1,045,865
Year ended 30 September 2018:					
Profit and total comprehensive income for the year		-	-	238,651	238,651
Dividends		-	-	(146,816)	(146,816)
Capital contribution		-	40,406	-	40,406
Balance at 30 September 2018		10,000	940,845	227,261	1,178,106

The equity reserves relates to the deemed capital element of the loans advanced to the company by the shareholder, those loans being interest-free and repayable after more than one year.

1 Accounting policies

Company information

Ben Glas Power Limited is a private company limited by shares incorporated in England and Wales. The registered office is Canal Head North, Kendal, Cumbria, LA9 7BZ.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 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.

1 Accounting policies (continued)

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-electric plant	2% straight line on completion of commissioning the scheme

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash at bank and in hand

Cash at bank and in hand 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 Accounting policies (continued)

1.6 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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include debtors, 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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.7 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.

1.8 Taxation

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

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.9 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

There were no employees employed by the entity during the year or in the prior year.

3 Interest payable and similar expenses

	2018	2017
	£	£
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	207,678	144,478

4 Tangible fixed assets

	Hydro-electric plant
	£
Cost	
At 1 October 2017 and 30 September 2018	3,851,348
Depreciation and impairment	
At 1 October 2017	77,027
Depreciation charged in the year	77,027
At 30 September 2018	154,054
Carrying amount	
At 30 September 2018	3,697,294
At 30 September 2017	3,774,321

5 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	99,752	-
Other debtors	56,252	149,782
	156,004	149,782

6 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	63,910	8,367
Other creditors	7,228	12,152
	71,138	20,519

7 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Loans from parent undertaking	2,521,311	3,034,039

8 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,000,000 ordinary shares of 1p each	10,000	10,000
	10,000	10,000

9 Securities

The company has granted securities to Lucid Trustee Services Limited as security agent, including a fixed charge, floating charge and negative pledge, secured over the assets of the company.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	698,825	679,938

11 Related party transactions

No guarantees have been given or received.

The company has taken advantage of the exemption available in accordance with FRS 102 33.1A 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to transactions.

12 Parent company

The ultimate parent company is GHI Holdings Limited, a company registered in England & Wales, with registration number 11077970.

13 Prior period adjustment

Reconciliation of changes in equity

	1 October 2016 £	30 September 2017 £
Equity as previously reported	2,444	289,904
Adjustments to prior year		
Interest imputed into financial instrument measured at effective interest method	900,439	755,961
Equity as adjusted	902,883	1,045,865

Reconciliation of changes in profit for the previous financial period

	2017 £
Profit as previously reported	287,460
Adjustments to prior year	
Interest imputed into financial instrument	(144,478)
Profit as adjusted	142,982

13 Prior period adjustment (continued)

Correction to prior period error

The financial statements for the year-ended 30 September 2017 were produced in accordance with accounting standard FRS 102 Section 1A. The stated accounting policy adopted in respect of loans payable was: 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.

The shareholder loan, which is repayable of a period of more than one-year, was stated at £3,790,000 and no discounting was made in respect of the interest-free element of the loan. The correct application of the effective interest method would have resulted in the shareholder loan being stated at an amortised cost of £3,034,039.

This error in the application of the stated accounting policy has been corrected, resulting in changes to the following financial statement lines:

- The shareholder loan has been adjusted from £3,790,000 to £3,034,039, a net adjustment of £755,961.
- The capital contribution has been adjusted from Nil to £900,439, a net adjustment of £900,439.
- The profit for the period has been adjusted from £287,460 to £142,982, a net adjustment of £144,478, reflecting the interest charge imputed into the shareholder loan in accordance with FRS 102 Section 1A.