

Registration number: 315779

# Green Highland Renewables Ltd

Annual Report and Financial Statements

for the Period from 1 January 2022 to 30 September 2022

Morris & Young, Statutory Auditor  
Chartered Accountants  
6 Atholl Crescent  
PERTH  
PH1 5JN



# Green Highland Renewables Ltd

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# Green Highland Renewables Ltd

## Company Information

<b>Directors</b>	Alexander Reading Markus Arnold Moritz von Plate
<b>Registered office</b>	1st Floor Inveralmond Road Inveralmond Industrial Estate Perth PH1 3TW
<b>Auditors</b>	Morris & Young, Statutory Auditor Chartered Accountants 6 Atholl Crescent PERTH PH1 5JN

# **Green Highland Renewables Ltd**

## **Directors' Report for the Period from 1 January 2022 to 30 September 2022**

The directors present their report and the financial statements for the period from 1 January 2022 to 30 September 2022.

### **Principal activity**

The principal activity of the company is the operation and management of small and medium sized hydroelectric schemes to generate renewable energy on behalf of scheme owners.

### **Directors of the company**

The directors who held office during the period were as follows:

Alexander Reading

Markus Arnold

Moritz von Plate

### **Principal risks and uncertainties**

During the year, management considered the recoverability of its receivables and the carrying value of its property, plant and machinery. Management are confident that the carrying amounts of these assets will be recovered in full.

Management have reviewed the Company's interaction with global supply chains and the inflation and are happy, that as far as possible, these risks have been mitigated through sourcing protocols and contract structures.

### **Going concern**

These financial statements have been prepared on a going concern basis. The Directors are required to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements and to identify any material uncertainties as to the Company's ability to continue as a going concern over a period of at least twelve months from the date of the approval of these financial statements. The company is in a net asset position of £1,319,869 at the financial period end. At the financial period end, there is cash at bank and in hand of £961,703. All amounts that are due to the Company are from independent third parties. Since the period end, the Company has continued to trade profitably and generate cash.

The Directors have considered the requirement for financial support. After reviewing the financial information, financial forecasts, and commercial information that is available to them, the Directors are satisfied that there is no indication that the Company will require financial support from its parent company, VH Auslandsbeteiligungen GmbH.

Taking the above going concern assessment into account, the Directors are of the view that the Company will continue as a going concern.

### **Directors' liabilities**

The company has not made qualifying third party indemnity provisions for the benefit of its directors.

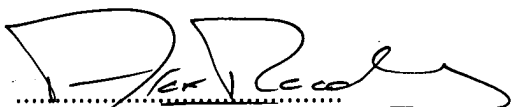
## Green Highland Renewables Ltd

### Directors' Report for the Period from 1 January 2022 to 30 September 2022

#### Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 6 March 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Alexander Reading', written over a dotted horizontal line.

Alexander Reading  
Director

## **Green Highland Renewables Ltd**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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), including FRS101 Reduced Disclosure Framework. 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **Green Highland Renewables Ltd**

### **Independent Auditor's Report to the Members of Green Highland Renewables Ltd**

#### **Opinion**

We have audited the financial statements of Green Highland Renewables Ltd (the 'company') for the period from 1 January 2022 to 30 September 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard 101 "Reduced Disclosure Framework". 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 2022 and of its profit for the period 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 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**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **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.

## **Green Highland Renewables Ltd**

### **Independent Auditor's Report to the Members of Green Highland Renewables Ltd**

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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial period 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 our 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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.

## Green Highland Renewables Ltd

### Independent Auditor's Report to the Members of Green Highland Renewables Ltd

#### **Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the opportunities that may exist within the organisation for fraud and identified the greatest potential for irregularities to occur is in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, UK tax legislation, employment, environmental and health and safety legislation.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members at planning and reminded them to remain alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Our procedures to respond to risks identified included the following:

- . reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- . enquiring of directors concerning actual and potential litigation and claims;
- . we gained an understanding of the controls that the directors have in place to prevent and detect fraud. We enquired of the directors about any incidences of fraud that had taken place during the year;
- . performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- . testing of the completeness and correct allocation of revenue in the year;
- . reading minutes of meetings of those charged with governance;
- . in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- . assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- . and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

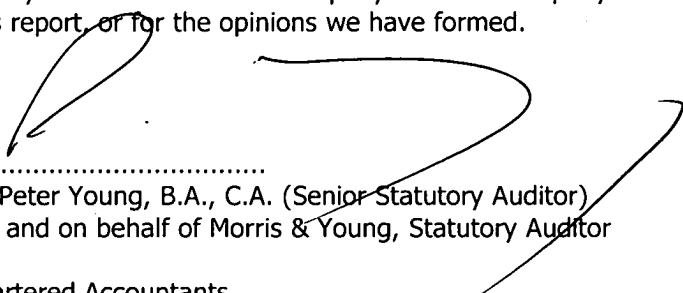
## Green Highland Renewables Ltd

### Independent Auditor's Report to the Members of Green Highland Renewables Ltd

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### 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.



.....  
Mr Peter Young, B.A., C.A. (Senior Statutory Auditor)  
For and on behalf of Morris & Young, Statutory Auditor

Chartered Accountants  
6 Atholl Crescent  
PERTH  
PH1 5JN

9 March 2023

## Green Highland Renewables Ltd

### Profit and Loss Account for the Period from 1 January 2022 to 30 September 2022

	Note	Period ended 30 September 2022 £	Year ended 31 December 2021 £
Revenue from contracts with customers	3	2,036,533	2,470,581
Cost of sales		<u>(486,206)</u>	<u>(548,272)</u>
Gross profit		1,550,327	1,922,309
Administrative expenses		(1,046,361)	(1,089,651)
Other operating income	4	<u>7,350</u>	<u>188,680</u>
profit from operating activities before non recurring items	7	511,316	1,021,338
Nonrecurring items	5	<u>-</u>	<u>(2,070,000)</u>
Results from operating activities		511,316	(1,048,662)
Finance costs	9	<u>(2,951)</u>	<u>(2,975)</u>
Profit/(loss) before tax		508,365	(1,051,637)
Tax on profit/(loss)	13	<u>(96,590)</u>	<u>(27,843)</u>
Profit/(loss) for the financial period		<u><u>411,775</u></u>	<u><u>(1,079,480)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

The notes on pages 13 to 29 form an integral part of these financial statements.

## Green Highland Renewables Ltd

### Statement of Comprehensive Income for the Period from 1 January 2022 to 30 September 2022

	<b>30 September 2022 £</b>	<b>31 December 2021 £</b>
Profit/(loss) for the period	<u>411,775</u>	<u>(1,079,480)</u>
Total comprehensive income for the period	<u><u>411,775</u></u>	<u><u>(1,079,480)</u></u>

The notes on pages 13 to 29 form an integral part of these financial statements.

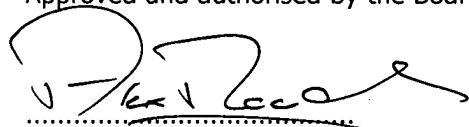
## Green Highland Renewables Ltd

(Registration number: 315779)

### Statement of Financial Position as at 30 September 2022

			30 September 2022	31 December 2021
	Note		£	£
<b>Non-current assets</b>				
Right-of-use assets	14		45,184	23,559
Property, plant and equipment	15		61,256	70,125
			106,440	93,684
<b>Current assets</b>				
Trade and other receivables	16		737,331	689,278
Cash at bank and in hand	17		961,703	518,803
			1,699,034	1,208,081
<b>Current liabilities</b>				
Trade and other payables	18		(432,296)	(360,633)
Lease liabilities	14		(19,713)	(22,490)
Current liabilities			(452,009)	(383,123)
<b>Net current assets</b>			1,247,025	824,958
<b>Total assets less current liabilities</b>			1,353,465	918,642
<b>Non-current liabilities</b>				
Lease liabilities	14		(25,394)	(1,197)
<b>Provisions for liabilities</b>	19		(8,202)	(9,351)
<b>Net assets</b>			1,319,869	908,094
<b>Equity and reserves</b>				
Called up share capital			15,338	15,338
Accumulated profits	22		1,304,531	892,756
Total equity			1,319,869	908,094

Approved and authorised by the Board on 6 March 2023 and signed on its behalf by:



Alexander Reading  
Director

The notes on pages 13 to 29 form an integral part of these financial statements.

**Green Highland Renewables Ltd**

**Statement of Changes in Equity for the Period from 1 January 2022 to 30 September 2022**

	<b>Share capital £</b>	<b>Accumulated Profits £</b>	<b>Total £</b>
At 1 January 2022	15,338	892,756	908,094
Profit for the period	-	411,775	411,775
At 30 September 2022	<u>15,338</u>	<u>1,304,531</u>	<u>1,319,869</u>
	<b>Share capital £</b>	<b>Accumulated profits £</b>	<b>Total £</b>
At 1 January 2021	15,338	1,972,236	1,987,574
Loss for the period	-	(1,079,480)	(1,079,480)
At 31 December 2021	<u>15,338</u>	<u>892,756</u>	<u>908,094</u>

The notes on pages 13 to 29 form an integral part of these financial statements.

## **Green Highland Renewables Ltd**

### **Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022**

#### **1 General information**

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

1st Floor  
Inveralmond Road  
Inveralmond Industrial Estate  
Perth  
PH1 3TW

These financial statements were authorised for issue by the Board on 6 March 2023.

#### **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 were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-Based Payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- the requirement in paragraph 38 of IAS 2 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS1;
  - paragraph 73(c) of IAS 16 Property, Plant and Equipment;
  - paragraph 118 (e) of IAS 38 Intangible Assets;
  - paragraph 76 and 79 (d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS Presentation of Financial Statements
- the requirements of IAS7 Statement of Cashflows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 17 of IAS 24 Related Party Disclosures
- the requirements of IAS24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by the member
- the requirements of paragraphs 134(d) - 134 (f) and 135(c) - 135(e) of IAS 36 Impairment of Assets.

#### Going concern

The financial statements have been prepared on a going concern basis. The Directors are required to state whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements and to identify any material uncertainties as to the Company's ability to continue as a going concern over a period of at least twelve months from the date of the approval of these financial statements.

The company is in a net asset position of £1,319,869 at the financial period end. At the financial period end, there is cash at bank and in hand of £961,703. All amounts that are due to the Company are from independent third parties. Since the period end, the Company has continued to trade profitably and generate cash

The Directors have considered the requirement for financial support. After reviewing the financial information, financial forecasts, and commercial information that is available to them, the Directors are satisfied that there is no indication that the Company will require financial support from its parent company, VH Auslandsbeteiligungen GmbH.

Taking the above going concern assessment into account, the Directors are of the view that the Company will continue as a going concern.

## **Green Highland Renewables Ltd**

### **Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022**

#### **Critical accounting adjustments and key sources of estimation uncertainty**

The preparation of financial statements in conformity with FRS101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Company's accounting policies make use of estimates and judgements in the following areas: revenue recognition, payables and receivables, depreciation and taxation. These are described in more detail in the relevant accounting policies.

#### **Revenue recognition**

Revenue from contracts with customers comprises the fair value of the consideration received or receivable and is shown net of sales/value added tax, returns, rebates and discounts. Revenue from contracts to provide services for project management, administration, operation and maintenance of special purpose vehicles is recognised 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.

#### **Government grants**

Government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are presented as a deduction from the carrying amount of the related assets, and recognised as income over the useful lives of the assets by way of a reduced depreciation charge.

#### **Other grants**

Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attached to them and that the grants will be received. Grants that are receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the company with no future related cost are recognised in profit or loss in the period which they become receivable.

#### **Finance income and costs policy**

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Finance cost comprises interest expense on borrowings and changes in fair values of derivative liabilities. All borrowing costs are recognised in the profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction, or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

#### **Tax**

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

## **Green Highland Renewables Ltd**

### **Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022**

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 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 at the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 income statement, except when it relates to times 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 there is a legally enforceable right to set off current tax assets against current tax liabilities and when they related to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Freehold land is stated in the statement of financial position at cost, less any subsequent accumulated impairment losses. Freehold land is not depreciated.

Property, plant and equipment in the course of construction for production are carried at cost, less any recognised impairment loss. Cost includes directly attributable finance costs and professional fees in accordance with the company's accounting policy. Depreciation of those assets, on the same basis as other assets, commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

#### 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and equipment	5 years Straight line
Motor vehicles	3 - 5 years Straight line
Fixtures and fittings	3 years Straight line

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, discounting is applied.

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use Assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

#### Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses the interest rate implied in the lease agreements, or if that rate cannot be readily determined, the company's incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

#### Short term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term lease of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below £5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease.

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### 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 at an annual general meeting.

#### Retirement benefit obligations

The company operates a defined contribution plan for its employees. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligations to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

#### Financial instruments

##### *Classification*

A financial instrument is any contract that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity. The classification depends on the nature and purpose of the financial assets and liabilities which is determined at the time of initial recognition.

##### *Recognition and measurement*

The company's financial assets include cash, trade and other receivables.

The company's financial liabilities include trade and other payables.

##### *Impairment*

The adoption of IFRS9 has fundamentally changed the company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS9 requires the company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

### 3 Revenue from contracts with customers

The analysis of the company's Revenue from contracts with customers for the period is as follows:

	<b>30 September 2022 £</b>	<b>31 December 2021 £</b>
Operations and maintenance	1,569,182	1,627,641
Consultancy	61,501	56,313
Project management	136,775	303,508
Construction management	-	163,958
Administration services	269,075	319,161
	<u>2,036,533</u>	<u>2,470,581</u>

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### 4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	<b>30</b> <b>September</b> <b>2022</b> <b>£</b>	<b>31</b> <b>December</b> <b>2021</b> <b>£</b>
Miscellaneous other operating income	<u>7,350</u>	<u>188,680</u>

#### 5 Nonrecurring expenses

In the prior year nonrecurring expenses relate to £2,070,000 on the write off of the loan receivable from the previous parent company Simec Atlantis Energy Limited.

#### 6 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	<b>30</b> <b>September</b> <b>2022</b> <b>£</b>	<b>31</b> <b>December</b> <b>2021</b> <b>£</b>
Gain on disposal of Property, plant and equipment	<u>-</u>	<u>4,675</u>

#### 7 Operating profit/(loss)

Arrived at after charging/(crediting)

	<b>30</b> <b>September</b> <b>2022</b> <b>£</b>	<b>31</b> <b>December</b> <b>2021</b> <b>£</b>
Depreciation expense	21,686	32,953
Depreciation on right-of-use assets	19,341	23,983
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(4,675)</u>

#### 8 Government grants

UK Government COVID-19 furlough scheme

The amount of grants recognised in the financial statements was £Nil (2021 - £Nil).

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### 9 Interest payable and similar expenses

	<b>30</b>	<b>31</b>
	<b>September</b>	<b>December</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest expense on other finance liabilities	-	888
Unwind of discount on lease liabilities	2,951	2,087
	<u>2,951</u>	<u>2,975</u>
	<u>2,951</u>	<u>2,975</u>

#### 10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>30</b>	<b>31</b>
	<b>September</b>	<b>December</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	677,043	694,918
Social security costs	71,929	84,726
Other short-term employee benefits	11	1,440
Pension costs, defined contribution scheme	37,837	83,038
Other employee expense	1,837	395
	<u>788,657</u>	<u>864,517</u>
	<u>788,657</u>	<u>864,517</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	<b>30</b>	<b>31</b>
	<b>September</b>	<b>December</b>
	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Administration and support	22	19
	<u>22</u>	<u>19</u>
	<u>22</u>	<u>19</u>

#### 11 Directors' remuneration

The directors' remuneration for the period was as follows:

	<b>30</b>	<b>31</b>
	<b>September</b>	<b>December</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Remuneration	85,611	5,158
Contributions paid to money purchase schemes	5,620	704
	<u>91,231</u>	<u>5,862</u>
	<u>91,231</u>	<u>5,862</u>

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

During the period the number of directors who were receiving benefits and share incentives was as follows:

	<b>30 September 2022 No.</b>	<b>31 December 2021 No.</b>
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

#### 12 Auditors' remuneration

	<b>30 September 2022 £</b>	<b>31 December 2021 £</b>
Audit of the financial statements	<u>10,500</u>	<u>(3,497)</u>

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### 13 Taxation

Tax charged/(credited) in the profit and loss account

	<b>30 September 2022 £</b>	<b>31 December 2021 £</b>
<b>Current taxation</b>		
UK corporation tax	97,738	18,492
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(1,148)</u>	<u>9,351</u>
Tax expense in the income statement	<u><u>96,590</u></u>	<u><u>27,843</u></u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>30 September 2022 £</b>	<b>31 December 2021 £</b>
Profit/(loss) before tax	<u>508,365</u>	<u>(1,051,637)</u>
Corporation tax at standard rate	96,589	(199,811)
Effect of expense not deductible in determining taxable profit (tax loss)	-	392,719
Effect of tax losses	-	(169,764)
Tax increase/(decrease) from effect of capital allowances and depreciation	1,149	(4,652)
Tax (decrease)/increase from other short-term timing differences	<u>(1,148)</u>	<u>9,351</u>
Total tax charge	<u><u>96,590</u></u>	<u><u>27,843</u></u>
<b>Deferred tax</b>		
Deferred tax assets and liabilities		
<b>2022</b>	<b>Asset £</b>	<b>Liability £</b>
Accelerated capital allowances	<u>-</u>	<u>8,202</u>
	<u><u>-</u></u>	<u><u>8,202</u></u>

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

	<b>Asset</b>	<b>Liability</b>
	<b>£</b>	<b>£</b>
<b>2021</b>		
Accelerated capital allowances	-	9,351
	-	9,351
	-	9,351

#### 14 Leases

The company has lease contracts for office buildings, with lease terms remaining between 1 and 5 years. Set out below are the carrying amount of right-of-use assets recognised and the movements during the year:

	<b>Land and buildings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>		
At 1 January 2022	94,548	94,548
Additions	40,966	40,966
	135,514	135,514
At 30 September 2022	135,514	135,514
<b>Depreciation</b>		
At 1 January 2022	70,989	70,989
Depreciation expense	19,341	19,341
	90,330	90,330
At 30 September 2022	90,330	90,330
<b>Carrying amount</b>		
At 30 September 2022	45,184	45,184
At 31 December 2021	23,559	23,559

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	<b>Leases</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2022	23,687	23,687
Accretion of interest	2,951	2,951
Additions	40,966	40,966
Payments	(22,497)	(22,497)
	45,107	45,107
At 30 September 2022	45,107	45,107
Current	(19,713)	(19,713)
Non-current	(25,394)	(25,394)
	(45,107)	(45,107)
	(45,107)	(45,107)

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

	Leases £	Total £
At 1 January 2021	34,812	34,812
Accretion of interest	2,087	2,087
Additions	13,989	13,989
Payments	<u>(27,201)</u>	<u>(27,201)</u>
At 31 December 2021	<u>23,687</u>	<u>23,687</u>
Current	22,490	22,490
Non-current	<u>1,197</u>	<u>1,197</u>
Non-current	<u>23,687</u>	<u>23,687</u>

Lease obligations have been discounted based on the Company's incremental borrowing rate with a weighted average of 5% (2021 - 5%).

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### 15 Property, plant and equipment

	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	67,789	101,007	168,796
Additions	12,817	-	12,817
At 30 September 2022	<u>80,606</u>	<u>101,007</u>	<u>181,613</u>
<b>Depreciation</b>			
At 1 January 2022	63,619	35,052	98,671
Charge for the period	5,168	16,518	21,686
At 30 September 2022	<u>68,787</u>	<u>51,570</u>	<u>120,357</u>
<b>Carrying amount</b>			
At 30 September 2022	<u>11,819</u>	<u>49,437</u>	<u>61,256</u>
At 31 December 2021	<u>4,170</u>	<u>65,955</u>	<u>70,125</u>

#### 16 Trade and other receivables

	30 September 2022 £	31 December 2021 £
<b>Current</b>		
Trade and other receivables	457,521	338,800
Prepayments	51,138	23,260
Accrued income	<u>228,672</u>	<u>327,218</u>
	<u>737,331</u>	<u>689,278</u>

## Green Highland Renewables Ltd

### Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022

#### 17 Cash and cash equivalents

	<b>30 September 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Cash on hand	49	301
Cash at bank	961,654	518,502
	<u>961,703</u>	<u>518,803</u>

#### 18 Trade and other payables

	<b>Note</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
		<b>£</b>	<b>£</b>
<b>Due within one year</b>			
Trade creditors		124,801	52,186
Social security and other taxes		106,027	79,999
Outstanding defined contribution pension costs		8,570	7,698
Other payables		2,288	2,880
Accruals		46,199	76,559
Income tax liability	13	97,738	18,492
Deferred income		46,673	122,819
		<u>432,296</u>	<u>360,633</u>

#### 19 Provisions for liabilities

	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2022	9,351	9,351
Increase (decrease) in existing provisions	<u>(1,149)</u>	<u>(1,149)</u>
At 30 September 2022	<u>8,202</u>	<u>8,202</u>

## **Green Highland Renewables Ltd**

### **Notes to the Financial Statements for the Period from 1 January 2022 to 30 September 2022**

#### **23 Related party transactions**

The company has taken the exemption available under FRS101 regarding related party transactions entered into between two or more members of a group, provided that the subsidiaries party to the transaction are wholly owned by a member of the group. Disclosure is made of related party transactions which are not wholly owned subsidiaries within the group and therefore do not qualify for the disclosure exemptions.

#### **24 Parent and ultimate parent undertaking**

In December 2021, VH Auslandsbeteiligungen GmbH, a company registered in Germany, acquired 90% of the share capital. The remaining 10% was purchased by Alexander Reading, a director. The ultimate parent company of VH Auslandsbeteiligungen GmbH is Voith GmbH & Co. KGaA. The year end of Voith GmbH & Co. KGaA is 30 September and the results will be consolidated in the year to 30 September 2022.

The company's immediate parent is VH Auslandsbeteiligungen GmbH, incorporated in Germany.

The ultimate parent is Voith GmbH & Co. KGaA, incorporated in Germany.

The most senior parent entity producing publicly available financial statements is Voith GmbH & Co. KGaA.