

Company Registration No. 134402 (Scotland)

BLAIRHILL WATER POWER LIMITED

**DIRECTORS' REPORT
AND
UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2004



COMPANY INFORMATION

The Hon E D Bruce BA
J O Wilson
G Pease

The Hon E D Bruce BA

134402

**2 Firehill Cottages
Rumbling Bridge
Kinross
KY13 0PX**

Geoghegan & Co
6 St Colme Street
Edinburgh
EH3 6AD

Clydesdale Bank PLC
West End Branch
21 Queensferry Street
Edinburgh
EH2 4RD

BLAIRHILL WATER POWER LIMITED

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BLAIRHILL WATER POWER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activities

The company's principle activities are to carry on all operations in connection with the generation and supply of hydro-electric power.

Directors

The following directors have held office since 1 January 2004:

The Hon E D Bruce BA
J O Wilson
G Pease

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 December 2004	1 January 2004
The Hon E D Bruce BA	15,000	15,000
J O Wilson	15,000	15,000
G Pease	8,000	8,000

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



.....
The Hon E D Bruce BA

Director

16.8.05
.....

BLAIRHILL WATER POWER LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF BLAIRHILL WATER POWER LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2004, set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Geoghegan & Co

Chartered Accountants

17.8.05

.....
6 St Colme Street
Edinburgh
EH3 6AD

BLAIRHILL WATER POWER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover		76,708	60,309
Administrative expenses		(44,753)	(34,729)
Operating profit	2	31,955	25,580
Other interest receivable and similar income	3	89	-
Interest payable and similar charges		(770)	(2,427)
Profit on ordinary activities before taxation		31,274	23,153
Tax on profit on ordinary activities	4	-	-
Profit on ordinary activities after taxation		31,274	23,153
Dividends		(4,500)	-
Retained profit for the year	10	26,774	23,153

BLAIRHILL WATER POWER LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5	222,638		229,448	
Current assets					
Debtors	6	24,279		11,865	
Cash at bank and in hand		17,036		4,902	
		<u>41,315</u>		<u>16,767</u>	
Creditors: amounts falling due within one year	7	<u>(5,823)</u>		<u>(3,819)</u>	
Net current assets		<u>35,492</u>		<u>12,948</u>	
Total assets less current liabilities		<u>258,130</u>		<u>242,396</u>	
Creditors: amounts falling due after more than one year	8	<u>(61,715)</u>		<u>(72,755)</u>	
		<u>196,415</u>		<u>169,641</u>	
Capital and reserves					
Called up share capital	9	90,000		90,000	
Profit and loss account	10	106,415		79,641	
Shareholders' funds	11	<u>196,415</u>		<u>169,641</u>	

BLAIRHILL WATER POWER LIMITED

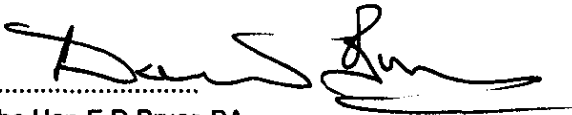
BALANCE SHEET (CONTINUED) AS AT 31 DECEMBER 2004

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 16-8-05.



.....
The Hon E D Bruce BA
Director

BLAIRHILL WATER POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Construction Work	2% Straight Line
Leased Assets	15% Straight Line
Equipment	15% and 25% Straight Line

1.5 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	6,810	6,810
Directors' emoluments	5,000	5,000
3 Investment income	2004	2003
	£	£
Bank interest	89	-

BLAIRHILL WATER POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

4 Taxation

If provision were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the year would increase by £ 3,127 (2003: £ 1,315).

On the basis of these financial statements no provision has been made for corporation tax.

5 Tangible fixed assets

	Construction Work £	Leased Assets £	Equipment £	Total £
Cost				
At 1 January 2004 & at 31 December 2004	302,990	208,300	31,196	542,486
Depreciation				
At 1 January 2004	76,792	208,300	27,946	313,038
Charge for the year	6,060	-	750	6,810
At 31 December 2004	82,852	208,300	28,696	319,848
Net book value				
At 31 December 2004	220,138	-	2,500	222,638
At 31 December 2003	226,198	-	3,250	229,448

6 Debtors

	2004 £	2003 £
Trade debtors	4,102	2,597
Other debtors	20,177	9,268
	<u>24,279</u>	<u>11,865</u>

7 Creditors: amounts falling due within one year

	2004 £	2003 £
Taxation and social security	1,168	1,127
Other creditors	4,655	2,692
	<u>5,823</u>	<u>3,819</u>

BLAIRHILL WATER POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

8	Creditors: amounts falling due after more than one year	2004 £	2003 £
	Other creditors	61,715	72,755
	Analysis of loans		
	Wholly repayable within five years	61,715	72,755

Included in the above were loans from directors. These comprised £4,059 (2003: £10,078) from The Hon E D Bruce BA; and £2,774 (2003: £3,517) from G Pease. Interest on these loans is added quarterly at a rate of 5% (2003: 5%) per annum.

9	Share capital	2004 £	2003 £
	Authorised		
	90,000 Ordinary of £1 each	90,000	90,000
	Allotted, called up and fully paid		
	90,000 Ordinary of £1 each	90,000	90,000

10	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2004	79,641
	Retained profit for the year	26,774
	Balance at 31 December 2004	106,415

11	Reconciliation of movements in shareholders' funds	2004 £	2003 £
	Profit for the financial year	31,274	23,153
	Dividends	(4,500)	-
	Net addition to shareholders' funds	26,774	23,153
	Opening shareholders' funds	169,641	146,488
	Closing shareholders' funds	196,415	169,641

BLAIRHILL WATER POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 DECEMBER 2004***

12 Control

It is deemed by the directors of the company that there is no ultimate controlling party.