

Registration number: SC386017

# SSE Micro Renewables Limited

Directors report and Unaudited Financial Statements

for the Year Ended 31 March 2022

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## **SSE Micro Renewables Limited**

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## **SSE Micro Renewables Limited**

### **Company Information**

<b>Directors</b>	N. Fitzpatrick
<b>Company secretary</b>	P. Lawns
<b>Registered office</b>	Inveralmond House 200 Dunkeld Road Perth PH1 3AQ
<b>Registered number</b>	SC386017

## **SSE Micro Renewables Limited**

### **Director's Report for the Year Ended 31 March 2022**

The director presents the report and the unaudited financial statements for SSE Micro Renewables Ltd (the 'Company') for the year ended 31 March 2022.

#### **Director**

The director and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the company, the director is not required to retire by rotation.

This report has been prepared in accordance with the special provisions of section 381 of the Companies Act 2006 relating to small companies. The director has taken exemption under this regime not to disclose the strategic report.

#### **Principal activity**

The principal activity of the company is the generation of income from realising the benefits of Renewables Obligation Certificates earned from the provision of Solar Photovoltaic panels and export credits. These installations are provided to customers free of charge, who benefit from the energy generated through a reduced bill.

#### **Business review**

##### ***Fair review of the business***

The Company's key financial and other performance indicators during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Turnover	-	-
Profit for the year	14,683	3,728
Net assets	2,293,897	2,279,214

#### **Results and dividends**

Turnover in the year was £nil (2021: £nil) due to outages of the installed solar panels. The Company has maintenance contracts in place for the site and intends to restore power generation.

The profit and loss account for the year ended 31 March 2022 is set out on page 6. The profit for the year after tax amounted to £14,683 (2021: £3,728). The balance sheet at 31 March 2022 is set out on page 7 and indicated net assets of £2,293,897 (2021: £2,279,214).

During the year the Company paid a dividend of £Nil (2021: £Nil) to its parent undertaking, SSE plc.

## **SSE Micro Renewables Limited**

### **Director's Report for the Year Ended 31 March 2022 (continued)**

#### ***Principal risks and uncertainties***

The director acknowledges that he has responsibility for the Company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the director has regard to what controls, in his judgement, are appropriate to the Company's business and to the relative costs and benefits of implementing specific controls.

The main financial risks that the Company could face have been considered by the director and SSE Group's Risk and Trading Committee. These include competition, the wholesale market prices of solar panels and other associated parts, economic regulation, government policies, government backed schemes, in particular Feed-In-Tariff (FiT) rates and other factors.

The Company transacts with other companies within the SSE group (the 'Group') and is a part of the Group's business and strategies. The principal risks and uncertainties faced by the Group are set out in the Group's annual report.

The main risk factor affecting the income generated is weather, which cannot be mitigated against. Another factor to be considered is the panels and invertors - if they become damaged the generation would be affected. There is a maintenance contract in place to manage this risk.

#### **Environmental matters**

The Company is exempt from making disclosures in line with the Streamlined Energy and Carbon Reporting ('SECR') requirements as it is a wholly owned subsidiary of SSE plc. The consolidated disclosures of the Group are available on pages 40 - 57 of the Group's 2022 annual report

#### **Going concern**

The financial statements are prepared on a going concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms that the Group will provide support to 31 December 2023 where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash balance of £1.0bn at 31 March 2022, the undrawn committed bank facilities of £1.5bn maintained by the Group, and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £1.2bn of long term debt and hybrid equity in March 2022 and April 2022 (being £350m dual tranche 10 and 15 year private placement and £1bn (£830m) NC6 equity accounted Hybrid) and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

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**SSE Micro Renewables Limited**

**Director's Report for the Year Ended 31 March 2022 (continued)**

**Political and charitable donations**

During the year the Company made no political or charitable donations (2021: £nil)

Approved by the director on 15 December 2022 and signed on its behalf by:

Nicholas Fitzpatrick  
Nicholas Fitzpatrick (Dec 15, 2022 10:43 GMT)

N. Fitzpatrick  
Director

## SSE Micro Renewables Limited

### Statement of Director's Responsibilities

The responsible for preparing the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the director must not approve the financial statements unless 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 director is required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards including FRS 101, 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 appropriate to presume that the company will not continue in business.

The director is 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 to ensure that the financial statements comply with the Companies Act 2006. 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. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

Approved by the director on 15 December 2022 and signed on its behalf by:

*Nicholas Fitzpatrick*

Nicholas Fitzpatrick 15 Dec 22 10:43 GMT+1

N. Fitzpatrick  
Director

## SSE Micro Renewables Limited

### Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover		-	-
Gross profit/(loss)		-	-
Administrative expenses		(15,500)	(14,209)
Operating loss	3	(15,500)	(14,209)
Interest receivable and similar income	6	5,536	18,811
(Loss)/profit before tax		(9,964)	4,602
Tax on (loss)/profit	7	24,647	(874)
Profit for the year		14,683	3,728

The above results were derived from continuing operations.

The Company had no other comprehensive income in the current or prior financial years

The notes on pages 9 to 14 form an integral part of these financial statements.



# SSE Micro Renewables Limited

(Registration number: SC386017)  
Balance Sheet as at 31 March 2022

	Note	31 March 2022 £	31 March 2021 £
<b>Non-current assets</b>			
Amounts owed by Group undertakings	8	<u>2,216,877</u>	<u>2,207,517</u>
		<u>2,216,877</u>	<u>2,207,517</u>
<b>Current assets</b>			
Debtors	8	11,919	9,252
Deferred tax asset	7	<u>94,808</u>	<u>76,653</u>
		106,727	85,905
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	<u>(29,707)</u>	<u>(14,208)</u>
<b>Net current assets</b>		<u>77,020</u>	<u>71,697</u>
<b>Net assets</b>		<u>2,293,897</u>	<u>2,279,214</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		<u>2,293,896</u>	<u>2,279,213</u>
Shareholders' funds		<u>2,293,897</u>	<u>2,279,214</u>

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

For the year ended 31 March 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Directors' responsibilities :

- The members have not required the Company to obtain an audit opinion of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the director on 15 December 2022

Nicholas Fitzpatrick

Nicholas Fitzpatrick "Dec 15, 2022 10:45:00 AM"

N. Fitzpatrick  
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

# **SSE Micro Renewables Limited**

## **Statement of Changes in Equity for the Year Ended 31 March 2022**

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021	1	2,279,213	2,279,214
Profit for the year	-	14,683	14,683
At 31 March 2022	<u>1</u>	<u>2,293,896</u>	<u>2,293,897</u>

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2020	1	2,275,485	2,275,486
Profit for the year	-	3,728	3,728
At 31 March 2021	<u>1</u>	<u>2,279,213</u>	<u>2,279,214</u>

The notes on pages 9 to 14 form an integral part of these financial statements.

## **SSE Micro Renewables Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022**

#### **1 General information**

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

These financial statements were authorised for issue by the director on 15 December 2022.

#### **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.

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

These financial statements were prepared in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company has applied the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards, but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The functional currency of the Company and the presentational currency of the financial statements is the Pound Sterling (GBP). The accounts have been rounded to the nearest GBP.

##### **Summary of disclosure exemptions**

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes required by IAS 7;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets required by IAS 1, IAS 16 and IAS 36 respectively;
- The effect of new, but not yet effective, IFRSs required by IAS 1;
- Disclosures in respect of the compensation of key management personnel required by IAS 24;
- Disclosures in respect of capital management required by IAS 1; and
- Related party disclosures required by IAS 24.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the company has also taken advantage the exemptions, under FRS 101, available in respect of the following disclosures:

- Certain disclosures required by IAS 36, Impairment of assets, in respect of the impairment of goodwill and life intangible assets; and
- Certain disclosures required by IFRS 13, Fair value measurement, and the disclosures required by IFRS 7, Financial instrument disclosures.

Employee share based payments have not been disclosed on the basis of materiality.

## **SSE Micro Renewables Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)**

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

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 April 2021 have had a material effect on the financial statements.

##### **Going concern**

The financial statements are prepared on a going concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms that the Group will provide support to 31 December 2023 where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash balance of £1.0bn at 31 March 2022, the undrawn committed bank facilities of £1.5bn maintained by the Group, and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £1.2bn of long term debt and hybrid equity in March and April 2022 (being £350m dual tranche 10 and 15 year private placement and £1bn (£830m) NC6 equity accounted Hybrid) and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

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

Interest income and costs are recognised in the profit and loss account as they accrue, on an effective interest method.

Interest on the funding attributable to major capital projects is capitalised during the period of construction and depreciated as part of the total cost over the useful life of the asset.

##### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

## **SSE Micro Renewables Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)**

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### **3 Operating loss**

Arrived at after charging

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Repair and maintenance costs	<u>15,500</u>	<u>14,208</u>

#### **4 Staff costs**

The Company had no employees in the current year and no employees in the prior year.

## SSE Micro Renewables Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)

#### 5 Director remuneration

The director was remunerated by another Group company in the year. Due to the director working for companies across the Group, a value of services to the Company cannot be determined.

#### 6 Interest receivable and similar income

	2022 £	2021 £
Interest receivable from group undertakings	<u>5,536</u>	<u>18,811</u>

#### 7 Income tax

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

	2022 £	2021 £
<b>Current taxation</b>		
UK corporation tax	<u>(6,492)</u>	<u>(4,018)</u>
Total current income tax	(6,492)	(4,018)
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	<u>(18,155)</u>	<u>4,892</u>
Tax (receipt)/expense in the profit and loss account	<u>(24,647)</u>	<u>874</u>

The tax on profit before tax for the year is lower than 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:

	2022 £	2021 £
(Loss)/profit before tax	<u>(9,964)</u>	<u>4,602</u>
Corporation tax at standard rate of 19% (2021: 19%)	(1,893)	874
Deferred tax credit relating to changes in tax rates or laws	<u>(22,754)</u>	<u>-</u>
Total tax (credit)/charge	<u>(24,647)</u>	<u>874</u>

## SSE Micro Renewables Limited

### Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)

#### 7 Income tax (continued)

##### Deferred tax

Deferred tax movement during the year:

	At 1 April 2021 £	Recognised in income £	At 31 March 2022 £
Tangible fixed assets	76,653	18,155	94,808

Deferred tax movement during the prior year:

	At 1 April 2020 £	Recognised in income £	At 31 March 2021 £
Tangible fixed assets	81,545	(4,892)	76,653

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date. This resulted a deferred tax credit of £23k.

#### 8 Trade and other debtors

	31 March 2022 £	31 March 2021 £
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	5,427	5,234
Income tax asset	6,492	4,018
	<u>11,919</u>	<u>9,252</u>

	31 March 2022 £	31 March 2021 £
<i>Amounts due after more than one year</i>		
Amounts owed by Group undertakings	2,216,877	2,207,517

The amounts disclosed as owed by group undertakings and receivable after more than one year are in respect of amounts advanced by the Company to its parent, SSE plc. Interest is earned at 0.25% (2021: 0.85%). The amounts owed by group undertakings are classified as non-current on the basis that the loan will not be recalled by the Company within the next twelve months.

# SSE Micro Renewables Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022 (continued)

### 9 Creditors

*Amounts falling due within one year*

	31 March 2022	31 March 2021
	£	£
Accrued expenses	<u>29,707</u>	<u>14,208</u>

### 10 Share capital

Allotted, called up and fully paid shares

	31 March 2022		31 March 2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 11 Parent and ultimate parent undertaking

The company's immediate parent is SSE plc.

The most senior parent entity producing publicly available financial statements is SSE plc. These financial statements are available upon request from the company secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the company's website at [www.sse.com](http://www.sse.com)