

# **SSE Enterprise Limited**

## **Directors' report and financial statements**

**Year ended 31 March 2018**

**Registered No: 10060563**



# **SSE Enterprise Limited**

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# **SSE Enterprise Limited**

## **Directors and Other Information**

### **Directors**

Kieran Gilmurray (appointed on 31 March 2018)  
Brian Sharma  
Alistair Borthwick (resigned on 31 March 2018)

### **Registered office**

No. 1 Forbury Place  
43 Forbury Road  
Reading  
RG1 3JH  
United Kingdom

### **Secretary**

Brian Sharma

### **Auditor**

KPMG LLP  
Chartered Accountants  
Arlington Business Park  
Theale, Reading  
RG7 4SD

### **Registered number**

10060563

# **SSE Enterprise Limited**

## **Directors' Report**

The directors present the report together with the audited financial statements for SSE Enterprise Limited ("the Company") for the year ended 31 March 2018.

The directors have also taken advantage of the exemption from preparing a Strategic Report available under section 414b of Companies Act 2006.

### **1 Principal activities**

The Company acts as an intermediate service company for SSE's Enterprise business activities. Any costs incurred by this company will be recharged to the underlying companies associated with the activities. The SSE Enterprise range of activities include the integrated provision of services in competitive markets for industrial and commercial customers including electrical contracting, private energy networks, lighting services and telecoms capacity and bandwidth.

### **2 Strategic review**

During the year the Company incurred a number of costs in respect of the SSE Enterprise business, all of such costs were recharged to the underlying companies incurring the cost. It is anticipated that the Company will continue to operate for a number of years.

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

The directors acknowledge that they have 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 directors have regard to what controls, in their 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 directors and by SSE plc's ("the Group") Risk and Trading Committees.

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

### **4 Results and dividends**

The loss for the financial period amounted to £33k (2017: loss of £69k).

The balance sheet at 31 March 2018 is set out on page 8 and indicates net assets of £792k (2017: £282k).

The Directors do not recommend the payment of a dividend.

### **5 Directors**

The directors and secretary who served during the period are as listed on page 1. In accordance with the Articles of Association of the Company the directors are not required to retire by rotation.

# SSE Enterprise Limited

## Directors' Report *(continued)*

### 6 Political and charitable donations

The Company did not make any political or charitable donations during the period.

### 7 Post balance sheet events

There have been no significant events since the balance sheet date.

### 8 Going concern

The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. A fellow group company (SSE Plc) has given an undertaking not to demand repayment of monies advanced to the Company for the foreseeable future.

### 9 Disclosure of information to auditor

The directors who held office at the date of approval of this Director's Report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

### 10 Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will, therefore, continue in office.

On behalf of the Board:



Kieran Gilmurray  
Director  
23 July 2018

# SSE Enterprise Limited

## Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

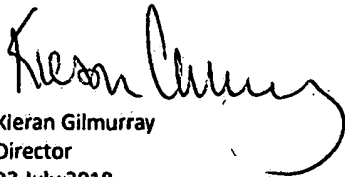
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS101 Reduced Disclosure 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board:



Kieran Gilmurray  
Director  
23 July 2018

# Independent Auditor's Report to the Members of SSE Enterprise Limited

## Opinion

We have audited the financial statements of SSE Enterprise Limited ("the Company") for the year ended 31 March 2018 which comprise the Profit and Loss account, Balance Sheet and Statement of changes in equity and related notes, including the FRS101 Reduced Disclosure Framework.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## Independent Auditor's Report to the Members of SSE Enterprise Limited (continued)

### Directors' responsibilities

As explained more fully in their statement 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, such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.



James Ledward (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Arlington Business Park  
Theale, Reading  
RG7 4SD  
31 July 2018



# SSE Enterprise Limited

## Profit and Loss Account for the year ended 31 March 2018

	Note	2018 £000	2017 £000
Turnover		4,133	6,928
Cost of sales		(3,949)	(6,844)
Gross profit		184	84
Interest payable and similar charges	4	(184)	(85)
Loss on ordinary activities before taxation		-	(1)
Tax on loss on ordinary activities	5	(33)	(68)
Loss for the financial period		(33)	(69)

### Continuing operations

The above results are derived from continuing activities.

The accompanying notes are an integral part of these financial statements.

### Total other comprehensive income

The company had no other comprehensive income in the current financial year (2017 nil).

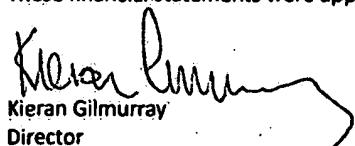
# SSE Enterprise Limited

## Balance Sheet as at 31 March 2018

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Investments	6	-	-
<b>Current assets</b>			
Debtors:			
amounts falling due within one year	7	6,808	6,897
<b>Total current assets</b>		<u>6,808</u>	<u>6,897</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(4,401)	(3,081)
<b>Net current assets</b>		<u>2,407</u>	<u>3,816</u>
<b>Total assets less current liabilities</b>		<u>2,407</u>	<u>3,816</u>
<b>Creditor: amounts falling due after more than one year</b>	9	(1,615)	(3,534)
<b>Net assets</b>		<u>792</u>	<u>282</u>
<b>Capital and reserves</b>			
Called up share capital		792	282
Profit and loss account			
<b>Equity Shareholders' funds</b>		<u>792</u>	<u>282</u>

The accompanying notes form an integral part of this balance sheet.

These financial statements were approved by the Director on 23 July 2018 and signed on their behalf by:

  
Kieran Gilmurray  
Director  
Company registered number: 10060563

# SSE Enterprise Limited

## Statement of Changes in Equity for the year ended 31 March 2018

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 14 March 2016	-	-	-
Loss for the financial period	-	(69)	(69)
Credit in respect of employee share awards	-	351	351
Balance at 31 March 2017	-	282	282
Balance at 1 April 2017	-	282	282
Loss for the financial period	-	(33)	(33)
Credit in respect of employee share awards	-	543	543
Balance at 31 March 2018	-	792	792

# **SSE Enterprise Limited**

## **Notes on the Financial statements for the year ended 31 March 2018**

### **1 Significant accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### **Basis of preparation**

The financial statements have been prepared in accordance with all applicable United Kingdom accounting standards. The principal accounting policies are summarised below and have been applied consistently.

In preparing these financial statements, the Company has applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('Adopted IFRS'), 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.

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,
- The effect of new, but not yet effective, IFRSs;
- Disclosures in respect of the compensation of key management personnel,
- Disclosures in respect of capital management, and
- Related party disclosures.

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

- IFRS 2 Share based payments in respect of group settled share based payments, and
- Certain disclosures required by IFRS 13 Fair value measurement and the disclosures required by IFRS 7 Financial instrument disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

# SSE Enterprise Limited

## Notes on the Financial statements (continued) for the year ended 31 March 2018

### 1 Significant accounting policies (continued)

#### Turnover

Turnover is recognised to the extent that it is probable and the economic benefit will flow to the Company, and that the turnover can be reliably measured. Turnover is recognised through recharges out to the Enterprise group of companies.

#### Taxation

The credit for taxation is based on the profit for the year and takes into account deferred taxation.

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

### 2 Expenses and auditor's remuneration

The audit fee in the period was borne by the Parent company, £1,000 of this was in relation to the audit of SSE Enterprise Limited.

	2018	2017
	£000	£000
Administration and marketing costs	1,355	2,116

The auditor's remuneration has been borne by another group company in the current and prior year.

### 3 Staff costs and numbers

The average number of staff for the year ended 31 March 2018 was 25 (2017: 26). As set out in the Principal activities, any costs incurred in relation to these employees have been recharged to the underlying companies associated with the activities.

Staff Costs for the year ended were as follows:

	2018	2017
	£000	£000
Wages and Salaries	1,573	3,685
Social Security costs	277	280
Share based remuneration	543	351
Pension costs	182	272
	2,575	4,588

The total remuneration received by the Directors for qualifying and non-qualifying services during the year was £445k (2017 - £394k).

# SSE Enterprise Limited

## Notes on the Financial statements (continued) for the period ended 31 March 2018

### 4 Interest payable and similar charges

	2018 £000	2017 £000
Interest payable to group undertakings	184	85
<b>Total</b>	<b>184</b>	<b>85</b>

### 5 Taxation

	2018 £000	2017 £000
UK corporation tax		
Current tax on Income for the period	33	68
<b>Total current tax charge</b>	<b>33</b>	<b>68</b>
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Total tax on loss on ordinary activities</b>	<b>33</b>	<b>68</b>

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2018 £000	2017 £000
Loss before taxation	-	(1)
Disallowable expenses	1	-
Transfer pricing adjustment	42	(68)
Prior year adjustment	(10)	-
<b>Total tax charge for period</b>	<b>(33)</b>	<b>(68)</b>

Legislation to reduce the corporation tax rate from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020 was substantively enacted on 26 October 2015. Legislation was substantively enacted on 15 September 2016 to further reduce the corporation tax rate to 17% from 1 April 2020. These changes will affect the company's future corporation tax charge accordingly.

A UK-UK transfer pricing adjustment has been made to ensure that the services provided to other group companies are in line with TIOPA 2010 Part 4

### 6 Investments

During the year the Company acquired the following subsidiary for £1

Subsidiary undertaking	Registered Office	Country of Incorporation	of Proportion held	Nature of Business
Forbury Assets Limited	No.1 Forbury Place, 43 Forbury Road, Reading, United Kingdom, RG1 3JH	UK	100%	Dormant

All companies have accounting periods ending on 31 March.

# SSE Enterprise Limited

## Notes on the Financial statements (continued) for the period ended 31 March 2018

### 7 Debtors

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	6,887	6,881
Corporation tax - group relief receivable	(102)	(68)
Other debtors	23	84
	<u>6,808</u>	<u>6,897</u>
Amounts due from group undertakings		

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

	2018 £000	2017 £000
Trade creditors	5	-
Amounts owed to group undertakings	4,284	1,814
Accruals and deferred income	112	1,267
	<u>4,401</u>	<u>3,081</u>

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

	2018 £000	2017 £000
Amounts owed to group undertakings	<u>1,615</u>	<u>3,534</u>
	1,615	3,534

The amounts due to Group undertakings are in respect of amounts owed to its parent, SSE plc. Interest is charged at 5.52% (2017: 5.84%).

### 10 Share capital

	2018 £	2017 £
Equity:		
Allotted, called up and fully paid:		
100 ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

### 11 Ultimate parent company

The Company is a subsidiary of SSE plc, which is the ultimate parent company and is registered in Scotland. The largest and smallest Group in which the results of the Company are consolidated is that headed by SSE plc. The consolidated financial statements of the Group (which include those of the Company) are available from the Company Secretary, SSE plc, Inverlismund House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the Company's website at [www.sse.com](http://www.sse.com).