

Registration number: 10060563

SSE Enterprise Limited
Directors report and Financial Statements
for the Year Ended 31 March 2021

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SSE Enterprise Limited

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SSE Enterprise Limited

Company Information

Directors

Kieran Gilmurray

Nathan Sanders

Company secretary

Mohammed Khalid

Registered office

No 1 Forbury Place
43 Forbury Road
Reading
Berkshire
RG1 3JH

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Registered number

10060563

SSE Enterprise Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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

Directors' of the company

The directors, who held office during the year, were as follows:

Kieran Gilmurray

Nathan Sanders (appointed 25 March 2021)

Principal activity

The principal activity of the company is to act 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 excepting minor immaterial amounts. 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.

Strategic Review

During the year the Company incurred a number of costs in respect of the SSE Enterprise business, all material amounts 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.

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.

Results

The profit for the financial period amounted to £115k (2020: loss of £714k).

The balance sheet at 31 March 2021 is set out on page 11 and indicates net assets of £1,146k (2020: £442k).

The directors do not recommend payment of a dividend (2020: £Nil) be made in respect of the financial year ended 31 March 2021.

SSE Enterprise Limited

Directors' Report for the Year Ended 31 March 2021 (continued)

Business review

Principal risks and uncertainties

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 it will provide support for a period to 24 May 2023 from the date of signing of these accounts 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 £1.6bn at 31 March 2021, the undrawn committed bank facilities of £1.5bn maintained by the Group, the current commercial paper market conditions, the recent success of the Group in refinancing maturing debt, as well as sensitivities on future cashflow projections that reflect the impact of the coronavirus pandemic and the Group's credit rating. The directors also considered the proceeds received through the Group's disposal programme and mitigating actions available to the Group under downside scenarios including non-essential capex postponement and refinancing of maturing debt. In considering these factors, the directors satisfied themselves that the SSE plc group has sufficient headroom to continue as a going concern and could provide support to the business as required.

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

Assessing the impact of coronavirus

On 11 March 2020, the World Health Organisation ("WHO") classified the novel coronavirus as a global pandemic. We assessed the impact of COVID-19 pandemic and while the broader implications of COVID 19 on our results of operations and overall financial performance remain uncertain. The Group has performed well during the pandemic, its product offering itself to increased digital information requirements from around the world.

Specifically for this company, there is little to no impact of COVID-19 on the results of the operations, as the company does not trade and acts as an intermediary service company to recharge cost to the Enterprise business

The health and wellbeing of the Group's employees' continues to be management primary concern and arrangements have been put in place to ensure that all premises remain a safe environment for staff. Management keeps the situation under daily review and will take all necessary measures to ensure the Company faces minimal disruption during this period.

Brexit

On 31 December 2020, the UK transitioned out of the European Union. The Directors have assessed that due to the nature of the Company's operations the impact of Brexit has been, and is expected to continue to be, minimal.

Disclosure of information to the auditors

Each of the persons who are Director's at the time when this Director's Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the Director has taken all steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

SSE Enterprise Limited

Directors' Report for the Year Ended 31 March 2021 (continued)

Approved by the Board on 11 April 2022 and signed on its behalf by:

Kieran Gilmurray
Kieran Gilmurray (Apr 11, 2022 11:52 GMT+1)

Kieran Gilmurray
Director

SSE Enterprise Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom 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 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 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 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 group and company financial position and financial performance; 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 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. 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 Board on 11 April 2022 and signed on its behalf by:

Kieran Gilmurray
Kieran Gilmurray (Apr 11, 2022 11:52 GMT+1)

Kieran Gilmurray
Director

SSE Enterprise Limited

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

Opinion

We have audited the financial statements of SSE Enterprise Limited for the year ended 31 March 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 24 May 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

SSE Enterprise Limited

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

SSE Enterprise Limited

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and Companies Act 2006) and relevant tax compliance regulations in the UK.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicated its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We corroborated our enquiries through our review of the board minutes, and we noted no such contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they consider there was susceptibility to fraud. We considered the programmes and controls that the company has established to address risks identified, or that prevent, deter and detect fraud, and how senior management monitors those programmes and controls at a group level. Where the risk was considered to be higher, we performed audit procedures to address the identified fraud risk, management override of controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management and those charged with governance. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements and accounts with all applicable requirements.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, through internal team discussions and enquiry of management and those charged with governance. Through these procedures, we identified there to be a risk of management override relating to overstatement of intercompany revenue. We used statistical techniques to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions. We considered programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter, and detect fraud, and how senior management monitors those programmes and controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

SSE Enterprise Limited

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

Ernst & Young LLP

Emily Butler (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

Date: 11 April 2022

SSE Enterprise Limited

Profit and Loss Account for the Year Ended 31 March 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	5,747	7,032
Cost of sales		<u>(5,449)</u>	<u>(7,499)</u>
Operating profit/(loss)		298	(467)
Interest payable and similar expenses	6	<u>275</u>	<u>(443)</u>
Profit/(loss) before tax		573	(910)
Tax credit/(charge) on profit/(loss)	8	<u>(458)</u>	<u>196</u>
Profit/(loss) for the year		<u>115</u>	<u>(714)</u>

The above results were derived from continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account, as such a statement of other comprehensive income has not been presented.

SSE Enterprise Limited
(Registration number: 10060563)
Balance Sheet as at 31 March 2021

	Note	31 March 2021 £ 000	31 March 2020 £ 000
Fixed assets			
Intangible assets	9	3,437	-
Investments	10	-	-
		<u>3,437</u>	<u>-</u>
Current assets			
Debtors	11	8,429	7,636
Current liabilities			
Creditors: amounts falling due within one year	12	(6,446)	(3,219)
Net current assets		<u>1,983</u>	<u>4,417</u>
Total assets less current liabilities		<u>5,420</u>	<u>4,417</u>
Creditors: Amounts falling due after more than one year			
Amounts due to related parties	12	(4,187)	(3,975)
Deferred tax liabilities		(87)	-
		<u>(4,274)</u>	<u>(3,975)</u>
Net assets		<u>1,146</u>	<u>442</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>1,146</u>	<u>442</u>
Shareholders' funds		<u>1,146</u>	<u>442</u>

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

Approved by the Board on 11 April 2022 and signed on its behalf by:

Kieran Gilmurray
Kieran Gilmurray (Apr 11, 2022 11:52 GMT+1)
Kieran Gilmurray
Director

SSE Enterprise Limited

Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2020	-	442	442
Profit for the year	-	115	115
Total comprehensive income	-	115	115
Share based payment transactions	-	589	589
At 31 March 2021	-	1,146	1,146
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2019	-	691	691
Loss for the year	-	(714)	(714)
Total comprehensive income	-	(714)	(714)
Share based payment transactions	-	465	465
At 31 March 2020	-	442	442

SSE Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

SSE Enterprise Limited ("The Company") is a private company limited by share capital incorporated, domiciled and registered in England, UK. The registered number is 10060563 and the registered address is No 1 Forbury Place, 43 Forbury road, Reading, England, RG1 3JH.

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 with 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 International Financial Reporting Standards as adopted by the EU, 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.

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 Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

Consolidated accounts

The company is a subsidiary of SSE plc and the financial statements of the company are consolidated with the consolidated financial statements of that company. Consolidated accounts have not been prepared as the company is availing itself of the exemption whereby, as a wholly owned subsidiary of an entity which prepares consolidated accounts, it is not required to prepare consolidated accounts under section 400 of the Companies Act 2006.

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 it will provide support for a period to 24 May 2023 from the date of signing of these accounts 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 £1.6bn at 31 March 2021, the undrawn committed bank facilities of £1.5bn maintained by the Group, the current commercial paper market conditions, the recent success of the Group in refinancing maturing debt, as well as sensitivities on future cashflow projections that reflect the impact of the coronavirus pandemic and the Group's credit rating. The directors also considered the proceeds received through the Group's disposal programme and mitigating actions available to the Group under downside scenarios including non-essential capex postponement and refinancing of maturing debt. In considering these factors, the directors satisfied themselves that the SSE plc group has sufficient headroom to continue as a going concern and could provide support to the business as required.

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

Changes in accounting policy

New standards, interpretations and amendments effective

The accounting policies are consistent with those of the prior year except for the following new standards which became effective for the period beginning on 1 April 2020.

IFRS 16 "Leases"

The adoption of IFRS 16 had no impact on the presentation of the financial statements for the year ended 31 March 2021.

Revenue recognition

Revenue is recognised to the extent that it is profitable and the economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is recognised through recharges out to the Enterprise group of companies.

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 Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (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.

Intangible assets

Developed software assets

Expenditure on internally developed software assets and application software licences includes contractors' fees and directly attributable labour and overheads. Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of these assets, which ranges from 3 to 15 years.

Amortisation

Amortisation 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:

Asset class	Years
Developed software assets	3-15

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.

Defined contribution pension obligation

SSE Group operates a number of defined contribution pension schemes to which the company's employees may be members of. The assets and liabilities of the schemes are held separately from those of the Group in independently administered funds. The amounts charged represent the contributions payable to the schemes in the year and are charged directly to the profit and loss account.

Defined benefit pension obligation

Some of the company's employees are members of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the plan is recognised fully by the sponsoring employer, which is another member of the Group. The company recognises a cost equal to its contribution payable for the period.

SSE Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £ 000	2020 £ 000
Provision of services	5,747	7,032

4 Staff costs

The aggregate payroll costs were as follows:

	2021 £ 000	2020 £ 000
Wages and salaries	3,235	2,677
Social security costs	379	349
Pension costs	747	312
Share-based payment expenses	588	464
	4,949	3,802

The average number of persons employed by the company during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	33	40

5 Directors' remuneration

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £277k (2020: £300k). This value is for 2 directors (2020: 2), who were remunerated via another Group company in the year. A value of services to the Company for these directors cannot be determined, therefore the above value reflects the remunerations received for services to the SSE Group as a whole.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £270k (2020: £245k) including company pension contributions of £17k (2020: £16k) which were made to a money purchase scheme on their behalf.

SSE Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

6 Interest payable and similar expenses

	2021 £ 000	2020 £ 000
Interest (receivable)/payable to Group companies	(275)	443

The amounts disclosed in the balance sheet as owed to related parties and falling due after more than one year are in respect of amounts advanced to the company by its ultimate parent SSE plc. Interest is charged at 4.01% (2020: 5.06%). There is no fixed repayment term for the amounts disclosed as owed to related parties and it has been confirmed by SSE plc that the amounts will not be called upon within the next twelve months.

7 Auditors' remuneration

The company incurred an audit fee of £4,246 in the year. (2020: £ 7,995) The fee in the current year was borne by another group company.

8 Income tax

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

	2021 £ 000	2020 £ 000
Current taxation		
UK corporation tax	306	(123)
UK corporation tax adjustment to prior periods	65	(73)
	<u>371</u>	<u>(196)</u>
Deferred taxation		
Arising from origination and reversal of temporary differences	87	21
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	(21)
	<u>87</u>	<u>-</u>
Total deferred taxation	<u>87</u>	<u>-</u>
Tax expense/(receipt) in the profit and loss account	<u>458</u>	<u>(196)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

SSE Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

8 Income tax (continued)

	2021 £ 000	2020 £ 000
Profit/(loss) before tax	573	(910)
Corporation tax at standard rate of 19% (2020: 19%)	109	(173)
Increase/(decrease) in current tax from adjustment for prior periods	65	(73)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	174	14
Increase from transfer pricing adjustments	55	58
Deferred tax credit from unrecognised temporary difference from a prior period	-	(22)
Other tax effects for reconciliation between accounting profit and tax expense	55	-
Total tax charge/(credit)	458	(196)

The UK Budget 2021 announcements on 3 March 2021, subsequent to the balance sheet date, included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

9 Intangible assets

	Internally generated software development costs £ 000	Total £ 000
Cost or valuation		
At 1 April 2020	-	-
Additions	3,617	3,617
At 31 March 2021	3,617	3,617
Amortisation		
At 1 April 2020	-	-
Amortisation charge	180	180
At 31 March 2021	180	180
Carrying amount		
At 1 April 2020	-	-
At 31 March 2021	3,437	3,437

SSE Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

10 Investments

Details of the subsidiaries as at 31 March 2021 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2021	2020
Optimal Power Networks Limited	Construction of utility projects for electricity and telecommunications	No1 Forbury Place, Reading, RG1 3JH United Kingdom	100%	100%

11 Trade and other debtors

	31 March 2021 £ 000	31 March 2020 £ 000
Debtors from related parties	6,907	7,029
Corporation tax - group relief receivable	-	123
Prepayments	543	15
Other debtors	979	469
	<u>8,429</u>	<u>7,636</u>

12 Creditors

Amounts falling due within one year

	31 March 2021 £ 000	31 March 2020 £ 000
Trade creditors	-	657
Accrued expenses	60	330
Amounts due to related parties	6,063	2,232
Income tax liability	323	-
	<u>6,446</u>	<u>3,219</u>

Amounts falling due after more than one year

	31 March 2021 £ 000	31 March 2020 £ 000
Amounts due to related parties	<u>4,187</u>	<u>3,975</u>

SSE Enterprise Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

12 Creditors (continued)

Details of non-current trade and other creditors

£4,186,577 (2020 £3,974,913) of amounts due from group undertakings is classified as non current.

13 Share capital

Allotted, called up and fully paid shares

	31 March 2021		31 March 2020	
	No.	£	No.	£
100 Ordinary shares of £1 each	100	100	100	100

14 Parent and ultimate parent undertaking

The company's immediate parent is SSE PLC.

The parent of the largest group in which these financial statements are consolidated is SSE plc, incorporated in Scotland. The consolidated financial statements of the Group (which include the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the parent company's website at www.sse.com.

The address of SSE plc is:

Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ

15 Non adjusting events after the financial period

The impact of Covid-19 has been considered up to 31 March 2021. Subsequent to the year end reporting period there have been no significant changes in the Covid-19 restrictions impacting the Company and thus no subsequent events related to the Covid-19 crisis have occurred.

To the knowledge of the Directors no material events have occurred between the balance sheet and the date of approval of these financial statements that would affect the ability of the users of the financial statements to make proper evaluations and decisions