

Registration number: 10060563

SSE Enterprise Limited
Directors Report and Unaudited Financial Statements
for the Year Ended 31 March 2023

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SSE Enterprise Limited

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SSE Enterprise Limited

Company Information

Company secretary

Graham Atkinson

Registered office

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

Registered number

10060563

SSE Enterprise Limited

Directors' Report for the Year Ended 31 March 2023

The directors present their report and the unaudited financial statements for the year ended 31 March 2023.

The directors present their report and financial statement for SSE Enterprise Limited (the "Company") for the year ended 31 March 2023.

Directors of the company

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

Kieran Gilmurray

Nathan Sanders

Principal activity

During the year the Company has transitioned from acting as an intermediate service company for SSE's Enterprise business activities, to being a holding company for the purposes of holding shares in other group companies. As part of this transition all operating activities and employees have been transferred to other group companies.

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 loss for the financial period amounted to £335k. (2022: loss of £282k).

The balance sheet at 31 March 2023 is set out on page 6 and indicates net assets of £968k (2022: £1,303k).

The directors do not recommend payment of a dividend be made in respect of the financial year ended 31 March 2023 (2022: £Nil).

SSE Enterprise Limited

Directors' Report for the Year Ended 31 March 2023 (continued)

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 34-66 of the Group's 2023 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 2024 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 and cash equivalents balance of £902.4m at 30 September 2023, and the undrawn committed bank facilities of £2.75bn maintained by the Group. In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £0.65bn of long term funding in the first six months of the 23/24 financial year being an 8 year €750m Eurobond at a coupon of 4.0%, and the issuance of £1.6bn of long term funding in the 22/23 financial year being a €1bn NC6 Hybrid at 4% in April 2022, a 7 year €650m Eurobond at a coupon of 2.875% and a £350m dual tranche US Private Placement. 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 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.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Exemption from audit

For the year ended 31 March 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Approved by the Board on 21st December 2023 and signed on its behalf by:


Nathan Sanders (Der 21, 2023 17:48 GMT)

Nathan Sanders
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, relevant and reliable;
- 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 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 directors' report, that complies with that law and those regulations.

Approved by the Board on 21st December 2023 and signed on its behalf by:


Nathan Sanders (Dec 22, 2023 17:49 GMT)
Nathan Sanders
Director

SSE Enterprise Limited

Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Turnover	3	-	6,541
Cost of sales		-	(6,706)
Operating loss		-	(165)
Interest payable and similar expenses	6	(311)	(220)
Loss before tax		(311)	(385)
Tax credit/(charge) on loss	8	(24)	103
Loss for the year		(335)	(282)

The above results were derived from continuing operations.

There were no recognised gains and losses for 2023 or 2022 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 2023


	Note	31 March 2023 £ 000	31 March 2022 £ 000
Fixed assets			
Intangible assets	9	1,970	554
Investments	10	-	-
		<u>1,970</u>	<u>554</u>
Current assets			
Debtors	11	1,965	8,701
Deferred tax asset	8	2	470
		<u>1,967</u>	<u>9,171</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(1,425)	(5,203)
Net current assets		<u>542</u>	<u>3,968</u>
Total assets less current liabilities		<u>2,512</u>	<u>4,522</u>
Creditors: Amounts falling due after more than one year			
Amounts due to Group undertakings	12	(1,544)	(3,219)
Net assets		<u>968</u>	<u>1,303</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>968</u>	<u>1,303</u>
Shareholders' funds		<u>968</u>	<u>1,303</u>

For the financial year ending 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

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

Approved by the Board on 21st December 2023 and signed on its behalf by:


 Nathan Sanders (Dec 21, 2023 17:48 GMT)

 Nathan Sanders
 Director

The notes on pages 8 to 16 form an integral part of these financial statements.
 Page 6

SSE Enterprise Limited

Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2022	-	1,303	1,303
Loss for the year	-	(335)	(335)
Total comprehensive income	-	(335)	(335)
At 31 March 2023	-	968	968

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2021	-	1,146	1,146
Loss for the year	-	(282)	(282)
Total comprehensive income	-	(282)	(282)
Share based payment transactions	-	439	439
At 31 March 2022	-	1,303	1,303

The notes on pages 8 to 16 form an integral part of these financial statements.

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023

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 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 these financial statements is pounds sterling. The financial statements have been presented in round thousands.

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 intangible assets with an indefinite useful life; 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 Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Consolidated accounts

The company is a subsidiary of SSE plc and the financial statements of the company are consolidated within 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 that the Group will provide support to 31 December 2024 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 and cash equivalents balance of £902.4m at 30 September 2023, and the undrawn committed bank facilities of £2.75bn maintained by the Group. In coming to this conclusion, the Directors have taken into account the Group's credit rating and the successful issuance of £0.65bn of long term funding in the first six months of the 23/24 financial year being an 8 year €750m Eurobond at a coupon of 4.0%, and the issuance of £1.6bn of long term funding in the 22/23 financial year being a €1bn NC6 Hybrid at 4% in April 2022, a 7 year €650m Eurobond at a coupon of 2.875% and a £350m dual tranche US Private Placement. 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 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.

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.

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

Taxation on the profit for the year comprises current and deferred tax. Taxation is recognised in the profit and loss account unless it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Deferred tax is calculated using the balance sheet liability method, providing for 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.

Deferred tax assets and liabilities are offset where there is a legally enforceable right of offset within the same tax authority and where the company intends to either settle them on a net basis, or to realise the asset and settle the liability simultaneously. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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 profit and loss account on a straight-line basis over the estimated useful life of these assets, which ranges from 3 to 15 years.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Developed software assets	3-15

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.

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

3 Revenue

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

	2023 £ 000	2022 £ 000
Provision of services	-	6,541

4 Staff costs

The aggregate payroll costs were as follows:

	2023 £ 000	2022 £ 000
Wages and salaries	-	2,473
Social security costs	-	393
Pension costs	-	473
Share-based payment expenses	-	439
	-	3,778

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

	2023 No.	2022 No.
Administration and support	-	43

5 Directors' remuneration

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £852k (2022: £799k). This value is for 2 directors (2022: 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 £523k (2022: £472k) including company pension contributions of £23k (2022: £18k) which were made to a money purchase scheme on their behalf.

6 Interest payable and similar expenses

	2023 £ 000	2022 £ 000
Interest payable to Group companies	311	220

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 5.03% (2022: 4.89%). 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.

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

7 Auditors' remuneration

The Company has received a guarantee under section 479C of the Companies Act 2006 from SSE plc and consent from SSE plc, that the immediate parent and the Company's directors to not require an audit of its financial statements for the year ended 31 March 2023.

The company incurred an audit fee of £9,402 in the year ended 31 March 2022, which was borne by another group company.

8 Income tax

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

	2023 £ 000	2022 £ 000
Current taxation		
UK corporation tax	(444)	454
UK corporation tax adjustment to prior periods	-	(1)
	(444)	453
Deferred taxation		
Arising from origination and reversal of temporary differences	356	(556)
Arising from changes in tax rates and laws	112	-
Total deferred taxation	468	(556)
Tax expense/(receipt) in the profit and loss account	24	(103)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £ 000	2022 £ 000
Loss before tax	(311)	(385)
Corporation tax at standard rate of 19% (2019: 19%)	(59)	(73)
Decrease from effect of capital allowances depreciation	(88)	(28)
Increase/(decrease) from effect of different UK tax rates on some earnings	112	(113)
Increase from effect of expenses not deductible in determining taxable profit (tax loss)	-	114
Increase from transfer pricing adjustments	59	28
Deferred tax expense from unrecognised temporary difference from a prior period	-	2
Other tax effects for reconciliation between accounting profit and tax income	-	(33)
Total tax charge/(credit)	24	(103)

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

8 Income tax (continued)

Deferred tax

Deferred tax movement during the year:

	At 1 April 2022 £ 000	Recognised in income £ 000	At 31 March 2023 £ 000
Revaluation of property, plant and equipment	470	(468)	2
Provisions	-	-	-
Net tax assets/(liabilities)	470	(468)	2

Deferred tax movement during the prior year:

	At 1 April 2021 £ 000	Recognised in income £ 000	At 31 March 2022 £ 000
Revaluation of property, plant and equipment	(89)	559	470
Provisions	2	(2)	-
Net tax assets/(liabilities)	(87)	557	470

The Government announced in the Budget on 3 March 2021 that the main rate of corporation tax will increase to 25% for the financial year beginning 1 April 2023. Prior to this date, the rate of corporation tax will remain at 19%. The increase to 25% rate was substantively enacted at 24 May 2021, and therefore the deferred tax balances are valued at 25%. The rate change resulted in an increase to the Company's deferred tax asset by £112k.

Finance Bill 2021 also included draft legislation in respect of Capital Allowance 'Super-deductions' of 130% in respect of General Pool plant and machinery, alongside First Year Allowances of 50% for Special Rate Pool plant and machinery for the two years commencing 1 April 2021. The Company does not expects these changes, to significantly increase the deduction for Capital Allowances in the financial years ending 31 March 2023.

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

9 Intangible assets

	Software assets under construction £ 000	Internally generated software development costs £ 000	Total £ 000
Cost or valuation			
At 1 April 2022	490	206	696
Additions	1,536	-	1,536
Transfer between businesses	(56)	(110)	(166)
At 31 March 2023	1,970	96	2,066
Amortisation			
At 1 April 2022	-	142	142
Transfer between businesses	-	(46)	(46)
At 31 March 2023	-	96	96
Carrying amount			
At 31 March 2023	1,970	-	1,970
At 31 March 2022	490	64	554

10 Investments

Details of the subsidiaries as at 31 March 2023 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2023	2022
Optimal Power Networks Limited	Construction of utility projects for electricity and telecommunications	No1 Forbury Place, Reading, RG1 3JH United Kingdom	100%	100%

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

11 Trade and other debtors

	31 March 2023 £ 000	31 March 2022 £ 000
Debtors from related parties	1,474	7,936
Income tax asset	444	-
Prepayments	-	155
Other debtors	47	610
	<u>1,965</u>	<u>8,701</u>

12 Creditors

Amounts falling due within one year

	31 March 2023 £ 000	31 March 2022 £ 000
Trade creditors	56	3
Accrued expenses	135	145
Amounts due to Group undertakings	1,234	4,601
Income tax liability	-	454
	<u>1,425</u>	<u>5,203</u>

Amounts falling due after more than one year

	31 March 2023 £ 000	31 March 2022 £ 000
Amounts due to Group undertakings	<u>1,544</u>	<u>3,219</u>

SSE Enterprise Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2023 (continued)

13 Share capital

Allotted, called up and fully paid shares

	31 March 2023		31 March 2022	
	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