

**REGISTERED NO.**  
**165387**

**SSE Leasing Limited**

**Financial statements for the year ended 31 March 2010**

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## **SSE Leasing Limited**

### **Report of the Directors**

The Directors present their report together with the audited financial statements for the year ended 31 March 2010.

#### **1. Principal Activities**

The Company's principal business is that of a leasing company.

#### **2. Business Review**

The Company's main purpose was to enter into leasing arrangements associated with the electricity business of its parent company, Scottish and Southern Energy plc. During the year, MGN Limited early settled finance leases for the Oldham and Watford colour print plants. This has resulted in a gain on disposal of £262k.

As a result of the early settlement, the company no longer has any finance leases in which to lease, as a result the company will cease to trade for the foreseeable future. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

#### **3. Results and Dividends**

The profit for the financial year amounted to £248,000 (2009 - £89,000). The Directors do not recommend the payment of a dividend (2009 - £nil).

#### **4. Directors**

The Directors who served during the year were as follows:

Gregor Alexander  
Gavin Brydon (resigned 2 March 2010)  
Brandon Rennet (appointed 2 March 2010)

#### **5. Political and Charitable Donations**

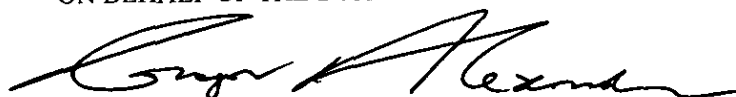
During the year, no charitable or political donations were made.

#### **6. Auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that ought to have been taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

ON BEHALF OF THE BOARD



Gregor Alexander  
Director  
13 October 2010

## **SSE Leasing 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 year. 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).

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 judgments 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. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 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.

## **SSE Leasing Limited**

### **Independent Auditors' Report to the Members of SSE Leasing Limited**

We have audited the financial statements of SSE Leasing Limited for the year ended 31 March 2010 as set out on pages 4 to 9. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where 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.



**John Luke (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
*Chartered Accountants*  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

13 October 2010

## SSE Leasing Limited

### Profit and Loss Account for the year ended 31 March 2010

	Note	2010 £000	2009 £000
Turnover		127	255
Administration costs		(69)	(131)
Other operating income		262	-
<b>Profit before taxation</b>		<b>320</b>	<b>124</b>
Taxation on profit on ordinary activities	3	(72)	(35)
<b>Profit for the financial year</b>	9	<b>248</b>	<b>89</b>

The above results are derived wholly from discontinuing activities.

Other than the Profit for the financial year, there are no other recognised gains or losses.

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

# SSE Leasing Limited

## Balance Sheet as at 31 March 2010

	Note	2010 £000	2009 £000
<b>Current assets</b>			
Debtors:			
amounts falling due within one year	4	2,452	1,346
amounts falling due after more than one year	4	367	1,903
<b>Total debtors</b>		<u>2,819</u>	<u>3,249</u>
<b>Creditors: amounts falling due within one year</b>	5	(126)	(113)
<b>Net current assets</b>		<u>2,693</u>	<u>3,136</u>
<b>Creditors: amounts falling due after more than one year</b>	6	(1,458)	(1,837)
<b>Provisions for liabilities and charges</b>			
Deferred tax	7	-	(312)
<b>Net assets</b>		<u>1,235</u>	<u>987</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	1,235	987
<b>Shareholders' funds</b>		<u>1,235</u>	<u>987</u>

These financial statements were approved by the Directors on 13 October 2010 and signed on their behalf by



Gregor Alexander, Director

Company registered number: 165387

## **SSE Leasing Limited**

### **Reconciliation of Movements in Shareholders' Funds as at 31 March 2010**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	<b>248</b>	<b>89</b>
Net addition to shareholders' funds	<b>248</b>	<b>89</b>
Opening shareholders' funds	<b>987</b>	<b>898</b>
Closing shareholders' funds	<b>1,235</b>	<b>987</b>

## **SSE Leasing Limited**

### **Notes on the Financial statements for the year ended 31 March 2010**

#### **1. Significant accounting policies**

##### **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 previous years, the financial statements have been prepared on a going concern basis. However during the year the directors took the decision to cease trading following the early settlement of the finance leases for the Oldham and Watford colour print plants. As they do not intend to acquire a replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Under Financial Reporting Standard 1 (FRS 1), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Scottish and Southern Energy plc (SSE plc), it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Scottish and Southern Energy Group (the Group).

##### **Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of lease finance to customers.

##### **Finance Leases**

Finance lease income is allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease. The total net investment in the finance leases included in the balance sheet represents total lease payments receivable net of finance lease income relating to future accounting periods.

##### **Taxation**

The charge 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 taxation arises in respect of items where there are timing differences between their treatment for accounting and taxation purposes. This is recognised where an obligation to pay more tax in the future has originated but not reversed at the balance sheet date. A deferred tax asset is recognised only when it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### **2. Directors', staff and auditors' remuneration**

No Director received remuneration in respect of their service to the Company (2009 - £nil). There were no staff employed during the year (2009 - nil). The audit fee for these Financial statements were borne by the ultimate parent company (2009 - £nil).

# SSE Leasing Limited

## Notes on the Financial statements for the year ended 31 March 2010

### 3. Taxation

	2010 £000	2009 £000
Current tax:		
United Kingdom corporation tax	401	53
Adjustments in respect of prior periods	(17)	-
	<u>384</u>	<u>53</u>
Deferred tax:		
Origination and reversal of timing differences	(312)	(18)
	<u>(312)</u>	<u>(18)</u>
Total tax on profit on ordinary activities	<u>72</u>	<u>35</u>

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

	2010 £000	2009 £000
Profit before tax	<u>320</u>	<u>124</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2009 - 28%)	90	35
Effect of:		
Capital allowances in excess of depreciation	311	18
Adjustment in respect of prior periods	(17)	-
Current tax charge for year	<u>384</u>	<u>53</u>

### 4. Debtors

	2010 £000	2009 £000
Amounts falling due within one year:		
Trade debtors - amounts receivable under finance leases	-	255
Amounts owed by group undertakings	2,452	1,072
Corporation tax recoverable	-	19
	<u>2,452</u>	<u>1,346</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	367	367
Trade debtors - amounts receivable under finance leases	-	1,536
	<u>367</u>	<u>1,903</u>
	<u>2,819</u>	<u>3,249</u>

Trade debtors include lease rentals receivable out with one year amounting to £nil (2009 - £1,536,104). The cost of assets held for the purpose of letting under finance leases was £nil (2009 - £2,089,515).

### 5. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Deferred income	-	113
Corporation tax payable	126	-
	<u>126</u>	<u>113</u>

# SSE Leasing Limited

## Notes on the Financial statements for the year ended 31 March 2010

### 6. Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Deferred income	-	379
Amounts owed to group undertakings	1,458	1,458
	<u>1,458</u>	<u>1,837</u>

### 7. Deferred taxation

Deferred taxation is provided as follows:

	2010 £000	2009 £000
Accelerated capital allowances	-	312
Provision for deferred tax	-	312
		<u>31 March 2010</u>
		£000
Provision at start of the year		312
Credited to the profit and loss account		(312)
Provision at end of year		<u>-</u>

### 8. Share capital

	Number	£
Authorised:		
At 1 April 2009 and 31 March 2010	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
At 1 April 2009 and 31 March 2010	<u>2</u>	<u>2</u>

### 9. Profit and loss account

	£000
Balance at 1 April 2009	987
Profit for the year	248
Balance at 31 March 2010	<u>1,235</u>

### 10. Ultimate holding company

The Company is a subsidiary of Scottish and Southern Energy 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 Scottish and Southern Energy plc. The consolidated financial statements of the group (which include those of the Company) are available from Corporate Communications, Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ.