

**REGISTERED NO.
SC214382**

S+S Limited

Financial statements for the year ended 31 March 2012

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S+S Limited

Report of the Directors

The Directors present their report together with the audited Financial Statements for the year ended 31 March 2012.

1. Principal Activities

On 1 April 2010, the Company's principal activities were assumed by three related companies, Scottish Hydro Electric Power Distribution plc, Southern Electric Power Distribution plc and Scottish Hydro Electric Transmission Limited. All employees, contracts, commitments, assets and liabilities were assumed to have been transferred at that date. The transaction was part of a re-organisation within the Scottish and Southern Energy plc Group and was made to conform with the regulatory reporting requirements of the industry regulator, Ofgem.

As the directors do not intend to acquire a replacement trade the financial statements have not been prepared on a going concern basis. The effect of this is explained in Note 1.

2. Business Review

Review of Business and Principal Risks & Uncertainties

The Company's activities have been assumed by related parties and it is the intention of the Board of Directors to complete a voluntary wind-up of the Company in the future.

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.

As the principal activities carried out by the Company have been assumed by related Companies, no key performance indicators have been deemed relevant to the Company's accounts in the current year.

3. Results and Dividends

The profit after tax for the financial year amounted to £nil (2011 - £nil). The Directors declared and paid a dividend of £138.0m (2011 - £nil) in the year.

4. Directors

The Directors who served during the year were as follows:-

Gregor Alexander	
Colin Hood	Resigned 15 September 2011
Steven Kennedy	
Mark Mathieson	
Ian Funnell	
Aileen McLeod	
Stuart Hogarth	

5. Political and Charitable Donations

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

S+S Limited

Report of the Directors

6. Auditor

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 auditor is 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 auditor is aware of that information.

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

ON BEHALF OF THE BOARD



Gregor Alexander
Director
12 October 2012

Registered Address

200 Dunkeld Rd
Perth
PH1 3AQ

S+S 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.

S+S Limited

Independent Auditor's Report to the Members of S+S Limited

We have audited the financial statements of S+S Limited for the year ended 31 March 2012 set out on pages 5 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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, and express an opinion on, 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/private.cfm.

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 2012 and of its result 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.

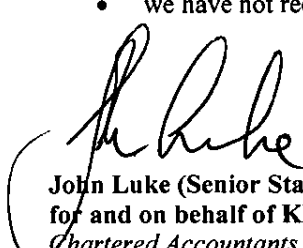
Opinion on other matter prescribed by the Companies Act 2006

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

12 October 2012

S+S Limited

Profit and Loss Account for the year ended 31 March 2012

During the financial period the company did not trade and received no income and incurred no expenditure. Consequently, during that period the Company made neither a profit or loss.

S+S Limited

Balance Sheet as at 31 March 2012

	Note	2012 £m	2011 £m
Current assets			
Debtors: amounts falling due after more than one year	5	243.8	243.8
		<u>243.8</u>	<u>243.8</u>
Creditors: amounts falling due within one year	6	(242.2)	(104.2)
Net current assets		<u>1.6</u>	<u>139.6</u>
Total assets less current liabilities		<u>1.6</u>	<u>139.6</u>
Creditors: amounts falling due after more than one year		-	-
Net assets		<u>1.6</u>	<u>139.6</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	1.6	139.6
Shareholders' funds		<u>1.6</u>	<u>139.6</u>

These Financial statements were approved by the Directors on 12 October 2012 and signed on their behalf by



Gregor Alexander, Director

Company Registered No: SC214382

S+S Limited

Reconciliation of Movements in Shareholders' Funds as at 31 March 2012

	2012 £m	2011 £m
Profit for the financial year	-	-
Dividend paid	(138.0)	-
Net addition to shareholders' funds	(138.0)	-
Opening shareholders' funds	139.6	139.6
Closing shareholders' funds	1.6	139.6

S+S Limited

Notes on the Financial Statements for the year ended 31 March 2012

1. Principal 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 on 1 April 2010 the directors took the decision to cease trading. 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 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).

Taxation

The charge for taxation is based on the profit for the period 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. Transfer of business

On 1 April 2010, the Company transferred its existing assets, liabilities, contracts and employees relating to the electrical connections business and the portfolio of electricity networks outside the SSE regulatory areas to three related parties, being Scottish Hydro-Electric Power Distribution plc, Southern Electric Power Distribution plc and Scottish Hydro Electric Transmission Limited. This followed a re-organisation within the SSE plc Group and was made to conform with the regulatory reporting requirements of the industry regulator, Ofgem.

The transfer of net liabilities was made at book value for a combined consideration of £88.8m. The balances due from the related parties have been settled through the Group cash management process and consequently the payment reduced the indebtedness due from the ultimate holding company.

The transfers can be summarised as follows:

Increase in Amounts owed to Group undertakings:	£m
Scottish Hydro Electric Transmission Limited	11.6
Scottish Hydro Electric Power Distribution plc	22.9
Southern Electric Power Distribution plc	54.3
	<hr/>
	88.8

S+S Limited

Notes on the Financial Statements for the year ended 31 March 2012

3. Taxation

	2012 £m	2011 £m
Current tax:		
UK corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total tax on profit on ordinary activities	-	-

4. Dividends

	2012 £m	2011 £m
Amounts recognised as distributions from equity:		
Final dividend of £138.0m (2011 – nil) per share	138.0	-

5. Debtors

	2012 £m	2011 £m
Amounts falling due after more than one year:		
Amounts owed by group undertakings	243.8	243.8
	<u>243.8</u>	<u>243.8</u>

6. Creditors: amounts falling due within one year

	2012 £m	2011 £m
Amounts owed to group undertakings	242.2	104.2

7. Share capital

	2012 £	2011 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1

8. Reserves

	Profit and loss account £m
At 31 March 2011	139.6
Dividend paid	(138.0)
At 31 March 2012	<u>1.6</u>

9. 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 Corporate Communications, Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ.