

SSE Toddleburn Limited

Financial statements for the year ended 31 March 2013

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SSE Toddleburn Limited

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 31 March 2013.

1. Principal Activities

The principal activity of the Company is wind farm development.

2. Business Review

The Directors intend for the Company to continue to pursue its principal activity of wind farm development. This included the development of a 36MW capacity wind farm in the Scottish Borders which received consent in January 2007. It began operating in March 2010.

3. Results and Dividends

The Company made a loss after tax of £1,630k in the year to 31 March 2013 (2012 - £2,110k). The Directors do not recommend the payment of a dividend (2012 - £nil).

4. Directors

The Directors who served during the period were as follows:

Paul Smith	(resigned 11 January 2013)
Brandon Rennet	(resigned 11 January 2013)
James Smith	(appointed 11 January 2013)
Colin Nicol	(appointed 11 January 2013)
Caoimhe Giblin	(appointed 11 January 2013)

5. Political and Charitable Donations

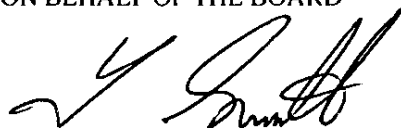
During the period, no charitable or political donations were made.

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



James Smith
Director
17 September 2013

SSE Toddleburn 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.

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 Toddleburn Limited

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

We have audited the financial statements of SSE Toddleburn Limited for the year ended 31 March 2013 as set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its loss 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.

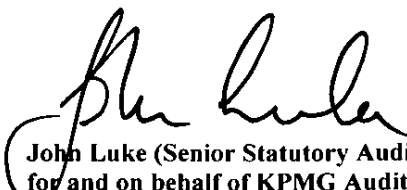
Opinion on other matter prescribed by the Companies Act 2006

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

17 September 2013

SSE Toddleburn Limited

Profit and Loss Account Year ended 31 March 2013

	Note	2013 £000	2012 £000
Turnover		2,736	7,208
Operating costs		(3,061)	(2,761)
(Loss)/profit on ordinary activities before interest and taxation		(325)	4,447
Net interest payable	4	(1,999)	(1,955)
(Loss)/profit on ordinary activities before taxation		(2,324)	2,492
Tax on profit on ordinary activities	5	694	(382)
(Loss)/profit for the financial year	12	(1,630)	2,110

The above (loss)/profit are derived from continuing activities.

There were no other recognised gains and losses, other than the (loss)/profit for the financial year.

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

SSE Toddleburn Limited

Balance Sheet as at 31 March 2013

	Note	31 March 2013 £000	31 March 2012 £000
Fixed Assets			
Tangible assets	6	34,976	35,579
Debtors: amounts falling due within one year	7	9,210	8,338
Creditors: amounts falling due within one year	8	(1,617)	(165)
Net current assets		<u>7,593</u>	<u>8,173</u>
Total assets less current liabilities		<u>42,569</u>	<u>43,752</u>
Creditors: amounts falling due after more than one year	9	(37,543)	(37,605)
Provisions for liabilities and charges			
Deferred Tax	10	(3,136)	(2,627)
Net assets		<u>1,890</u>	<u>3,520</u>
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	1,890	3,520
Shareholders' funds		<u>1,890</u>	<u>3,520</u>

These financial statements were approved by the Directors on 17 September 2013 and signed on their behalf by



James Smith
Director

Company Registered No. SC259104

SSE Toddleburn Limited

**Reconciliation of Movements in Shareholders' Funds/(Deficit)
as at 31 March 2013**

	Year ended 31 March 2013 £000	Year ended 31 March 2012 £000
(Loss)/profit for the period	<u>(1,630)</u>	2,110
Net movement in shareholders' funds	(1,630)	2,110
Opening shareholders' funds	<u>3,520</u>	<u>1,410</u>
Closing shareholders' funds	<u>1,890</u>	<u>3,520</u>

SSE Toddleburn Limited

Notes on the Financial statements Year ended 31 March 2013

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.

SSE Toddleburn Limited is a wholly owned subsidiary of SSE Plc, and therefore relies upon group facilities to support its activities. The group's facilities and the rationale for preparing the group financial statements under the going concern basis are disclosed in full in the annual report and accounts of SSE Plc. For this reason, the going concern basis has been adopted in preparing the financial statements of SSE Toddleburn Limited.

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 SSE 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.

Property, plant and equipment

Owned Assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairments. Where an item of property, plant and equipment comprises major components having different useful lives, the components are accounted for as separate items of property, plant and equipment, and depreciated accordingly.

Depreciation

Depreciation is charged to the income statement to write off cost, less residual values, on a straight line basis over their estimated useful lives. The estimated useful lives are as follows:

Generation Assets - Wind farm developments 10 to 45 years

2. Operating (loss)/profit is arrived at after charging:

	2013 £m	2012 £m
Depreciation	1,641	1,628
Operating lease charges	106	128
Net management fee in respect of services provided by group companies	319	-

SSE Toddleburn Limited

Notes on the Financial statements Year ended 31 March 2013

3. Directors', staff and auditor's remuneration

No director received remuneration in respect of their service to the Company (2012 - £nil). There were no staff employed during the period (2012 - none). The Company's audit fee of £0.2k (2012 - £0.8k) for the period was borne by the Parent Company.

4. Net interest payable

	2013 £000	2012 £000
Interest Payable:		
Interest payable to group companies	(1,999)	(1,995)
Net interest payable	<u>(1,999)</u>	<u>(1,995)</u>

5. Taxation

	2013 £000	2012 £000
Current tax:		
United Kingdom corporation tax	(1,203)	(425)
Adjustments in respect of prior periods	-	(163)
	<u>(1,203)</u>	<u>(588)</u>
Deferred tax:		
Origination and reversal of timing differences	645	1,073
Effect of change in tax rate	(136)	116
Adjustment in respect of previous period	-	(219)
Total Deferred Tax	<u>509</u>	<u>970</u>
Total tax on profit on ordinary activities	<u>(694)</u>	<u>382</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 (loss)/profit before tax is as follows:

	2013 £000	2012 £000
(Loss)/profit before taxation	<u>(2,324)</u>	<u>2,492</u>
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 24% (2012 - 26%)	(558)	648
Effects of:		
Expenses not deductible for tax purposes	-	-
Capital allowances in excess of depreciation	(645)	(1,073)
Adjustments in respect of prior years	-	(163)
Current tax credit for period	<u>(1,203)</u>	<u>(588)</u>

The March 2013 Budget announced a 1% reduction in the tax rate, from 1 April 2013, to 23%. This was substantively enacted before March 2013. This change will reduce the Company's future current tax charge accordingly. As this rate has been substantively enacted it has the effect of reducing the Company's net deferred tax liabilities recognised at 31 March 2013 by £136k. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction (the rate now being reduced to 20% over the next two years), although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liabilities accordingly.

SSE Toddleburn Limited

Notes on the Financial statements Year ended 31 March 2013

6. Tangible fixed assets

	Generation assets £000
Cost:	
At 31 March 2012	38,846
Additions	1,038
At 31 March 2013	39,884
Depreciation:	
At 31 March 2012	3,267
Charge for the year	1,641
At 31 March 2013	4,908
Net Book Value:	
At 31 March 2013	34,976
At 31 March 2012	35,579

7. Debtors

	2013 £000	2012 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	7,951	7,870
Group Relief Receivable	1,246	468
Other receivable	13	-
	9,210	8,338

8. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	-	10
Other creditors	31	-
Accruals and deferred income	6	77
Amounts owed to group undertakings	1,580	78
	1,617	165

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

	2013 £000	2012 £000
Amounts owed to parent company	37,543	37,605

Prior year intercompany balances have been restated to correctly present those amounts which have been previously netted to show either a net debtor or creditor.

SSE Toddleburn Limited

Notes on the Financial statements Year ended 31 March 2013

10. Deferred taxation

Deferred taxation is analysed as follows:

	2013 £000	2012 £000
Other timing differences	(3,136)	(2,627)
Deferred tax (liability)	(3,136)	(2,627)
	£000	
Deferred tax liability at 31 March 2012		(2,627)
Profit and loss account		(509)
Deferred tax liability at 31 March 2013		(3,136)

11. Share capital

The authorised and called up share capital was:

	2013 £	2012 £
Authorised: 100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid: 100 ordinary shares of £1 each	100	100

12. Reserves

	Profit and loss account £000
Balance at 31 March 2012	3,520
Loss for the year	(1,630)
Balance as at 31 March 2013	1,890

13. Ultimate holding company

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