

Registration number: SC386017

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

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## **SSE Micro Renewables Limited**

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## **SSE Micro Renewables Limited**

### **Company Information**

#### **Directors**

N. Fitzpatrick

#### **Company secretary**

P. Lawns

#### **Registered office**

Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ

#### **Registered number**

SC386017

## **SSE Micro Renewables Limited**

### **Director's Report for the Year Ended 31 March 2023**

The director presents the report and the unaudited financial statements for SSE Micro Renewables Ltd (the 'Company') for the year ended 31 March 2023.

#### **Director**

The director and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the company, the director is not required to retire by rotation.

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

#### **Principal activity**

The principal activity of the company is the generation of income from realising the benefits of Renewables Obligation Certificates earned from the provision of Solar Photovoltaic panels and export credits. These installations are provided to customers free of charge, who benefit from the energy generated through a reduced bill.

#### **Business review**

##### ***Fair review of the business***

The Company's key financial and other performance indicators during the year were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	-	-
Profit for the year	14,911	14,683
Net assets	2,313,991	2,293,897

#### **Results and dividends**

Turnover in the year was £nil (2022: £nil) due to outages of the installed solar panels. The Company has maintenance contracts in place for the site and intends to restore power generation.

The profit and loss account for the year ended 31 March 2023 is set out on page 6. The profit for the year after tax amounted to £14,911 (2022: £14,683). The balance sheet at 31 March 2023 is set out on page 7 and indicated net assets of £2,243,337 (2022: £2,293,897).

During the year the Company paid a dividend of £Nil (2022: £Nil) to its parent undertaking, SSE plc.

## **SSE Micro Renewables Limited**

### **Director's Report for the Year Ended 31 March 2023 (continued)**

#### ***Principal risks and uncertainties***

The director acknowledges that he has 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 director has regard to what controls, in his 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 director and SSE Group's Risk and Trading Committee. These include competition, the wholesale market prices of solar panels and other associated parts, economic regulation, government policies, government backed schemes, in particular Feed-In-Tariff (FiT) rates and other factors.

The Company transacts with other companies within the SSE group (the 'Group') and is a part of the Group's business and strategies. The principal risks and uncertainties faced by the Group are set out in the Group's annual report.

The main risk factor affecting the income generated is weather, which cannot be mitigated against. Another factor to be considered is the panels and invertors - if they become damaged the generation would be affected. There is a maintenance contract in place to manage this risk.

#### **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.

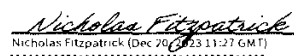
**SSE Micro Renewables Limited**

**Director's Report for the Year Ended 31 March 2023 (continued)**

**Political and charitable donations**

During the year the Company made no political or charitable donations (2022: £nil)

Approved by the director on 20<sup>th</sup> December 2023 and signed on its behalf by:

  
Nicholas Fitzpatrick (Dec 20, 2023 11:27 GMT)

N. Fitzpatrick  
Director

## **SSE Micro Renewables Limited**

### **Statement of Director's Responsibilities**

The responsible for preparing the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless 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.

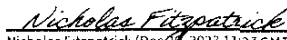
In preparing these financial statements, the director is required to:

- 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 director is 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 to ensure that the financial statements comply with the Companies Act 2006. 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 director on 20<sup>th</sup> December 2023 and signed on its behalf by:

  
Nicholas Fitzpatrick (Dec 20, 2023 11:27 GMT)  
N. Fitzpatrick  
Director

# **SSE Micro Renewables Limited**

## **Profit and Loss Account for the Year Ended 31 March 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
Turnover		-	-
Gross profit/(loss)		-	-
Administrative expenses		(31,000)	(15,500)
Operating loss	3	(31,000)	(15,500)
Interest receivable and similar income	6	51,093	5,536
Profit/(loss) before tax		20,093	(9,964)
Tax on profit/(loss)	7	(5,182)	24,647
Profit for the year		14,911	14,683

The above results were derived from continuing operations.

The Company had no other comprehensive income in the current or prior financial years

The notes on pages 9 to 14 form an integral part of these financial statements.



# SSE Micro Renewables Limited

(Registration number: SC386017)  
Balance Sheet as at 31 March 2023

	Note	31 March 2023 £	31 March 2022 £
<b>Non-current assets</b>			
Amounts owed by Group undertakings	8	2,233,712	2,216,877
		<u>2,233,712</u>	<u>2,216,877</u>
<b>Current assets</b>			
Debtors	8	15,684	11,919
Deferred tax asset	7	89,120	94,808
		<u>104,804</u>	<u>106,727</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(29,707)	(29,707)
<b>Net current assets</b>		<u>75,097</u>	<u>77,020</u>
<b>Net assets</b>		<u>2,308,809</u>	<u>2,293,897</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		<u>2,308,808</u>	<u>2,293,896</u>
<b>Shareholders' funds</b>		<u>2,308,809</u>	<u>2,293,897</u>

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

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.

The Directors' responsibilities :

- The members have not required the Company to obtain an audit opinion of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the director on 20<sup>th</sup> December 2023

Nicholas Fitzpatrick  
Nicholas Fitzpatrick (Dec 20, 2023 11:27 GMT)  
N. Fitzpatrick  
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

**SSE Micro Renewables Limited**

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

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2022	1	2,293,897	2,293,898
Profit for the year	-	14,911	14,911
At 31 March 2023	1	2,308,808	2,308,809

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021	1	2,279,213	2,279,214
Profit for the year	-	14,683	14,683
At 31 March 2022	1	2,293,896	2,293,897

The notes on pages 9 to 14 form an integral part of these financial statements.

## **SSE Micro Renewables Limited**

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

#### **1 General information**

The company is a private company limited by share capital, incorporated and domiciled in Scotland.

#### **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 the financial statements is the Pound Sterling (GBP). The accounts have been rounded to the nearest GBP.

##### **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.

##### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 1 April 2022 have had a material effect on the financial statements.

## **SSE Micro Renewables Limited**

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

#### **2 Accounting policies (continued)**

##### **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.

##### **Finance income and costs policy**

Interest income and costs are recognised in the profit and loss account as they accrue, on an effective interest method.

Interest on the funding attributable to major capital projects is capitalised during the period of construction and depreciated as part of the total cost over the useful life of the asset.

##### **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.

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.

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.

## **SSE Micro Renewables Limited**

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

#### **2 Accounting policies (continued)**

##### **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.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### **3 Operating loss**

Arrived at after charging

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Repair and maintenance costs	31,000	15,500

#### **4 Staff costs**

The Company had 0 employees in the current year and 0 employees in the prior year.

#### **5 Director remuneration**

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £122k (2022: n/a). The above value is for 1 director (2022: 1), 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 £122k (2022: n/a) including company pension contributions of £9k (2022: n/a) which were made to a money purchase scheme on their behalf.

# SSE Micro Renewables Limited

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

### 6 Interest receivable and similar income

	2023 £	2022 £
Interest receivable from group undertakings	51,093	5,536

### 7 Income tax

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

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	(506)	(6,492)
Total current income tax	(506)	(6,492)
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	5,688	(18,155)
Tax expense/(receipt) in the profit and loss account	5,182	(24,647)

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

The differences are reconciled below:

	2023 £	2022 £
Profit/(loss) before tax	20,093	(9,964)
Corporation tax at standard rate of 19% (2022: 19%)	3,818	(1,893)
Deferred tax expense/(credit) relating to changes in tax rates or laws	1,364	(22,754)
Total tax charge/(credit)	5,182	(24,647)

## SSE Micro Renewables Limited

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

#### 7 Income tax (continued)

##### Deferred tax

Deferred tax movement during the year:

	At 1 April 2022 £	Recognised in income £	At 31 March 2023 £
Tangible fixed assets	94,808	(5,688)	89,120

Deferred tax movement during the prior year:

	At 1 April 2021 £	Recognised in income £	At 31 March 2022 £
Tangible fixed assets	76,653	18,155	94,808

The rate change to 25% in respect of periods commencing after 1 April 2023 included in Finance Bill 2021 has been recognised during the year ended 31 March 2023, as it was substantively enacted on 24 May 2021.

#### 8 Trade and other debtors

	31 March 2023 £	31 March 2022 £
<i>Amounts falling due within one year</i>		
Amounts owed by group undertakings	15,178	5,427
Income tax asset	506	6,492
	<u>15,684</u>	<u>11,919</u>

	31 March 2023 £	31 March 2022 £
<i>Amounts due after more than one year</i>		
Amounts owed by Group undertakings	2,233,712	2,216,877

The amounts disclosed as owed by group undertakings and receivable after more than one year are in respect of amounts advanced by the Company to its parent, SSE plc. Interest is earned at 0.75% (2022: 0.25%). The amounts owed by group undertakings are classified as non-current on the basis that the loan will not be recalled by the Company within the next twelve months.

## SSE Micro Renewables Limited

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

#### 9 Creditors

*Amounts falling due within one year*

	31 March 2023 £	31 March 2022 £
Accrued expenses	29,707	29,707

#### 10 Share capital

**Allotted, called up and fully paid shares**

	31 March 2023		31 March 2022	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	1	1

#### 11 Parent and ultimate parent undertaking

The company's immediate parent is SSE plc.

The most senior parent entity producing publicly available financial statements is SSE plc. These financial statements are available upon request 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](http://www.sse.com)