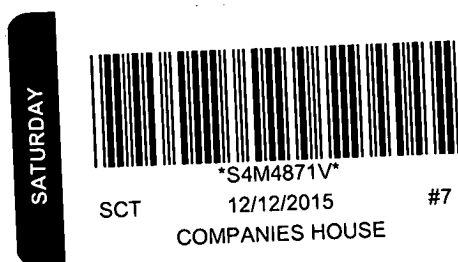


REGISTERED NO.
SC386017

SSE Micro Renewables Limited

Financial Statements for the year ended 31 March 2015

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SSE Micro Renewables Limited

Report of the Directors

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

1. Principal Activities

SSE Micro Renewables Limited moved from a dormant position in previous years to a trading position during the last financial year. Three installations were transferred to the company from SSE Micro Renewables Commercial Ltd which has now been disposed off. The business now focuses on the Solar PV market. The Installations are free to the customer who will benefit from the energy generated through a reduced bill. SSE Micro Renewables will benefit from the Feed In Tariff, Roc's and LEC income received over the life of the installation.

2. Strategic Review

The company has been trading during the year, generating electricity through solar panels. The key performance results are measured by the number of installations, the potential generation capacity of electricity and the income stream generated as a result.

	2015	2014
Number of Installations	3	3
Generation capacity (kWp)	718.67	718.67

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 the 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 FIT rates and other factors.

The Company transacts with other companies within the SSE plc group and is a key 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.

3. Results and Dividends

The Company made a profit of £424k in the year (2014 - £2.2m). The directors do not recommend the payment of a dividend (2014 £nil).

4. Directors

The directors who served during the year were as follows:

Derrick Allan
Alan Evans

5. Political and Charitable Donations

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

SSE Micro Renewables Limited

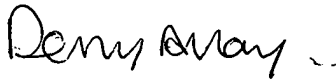
Report of the Directors (continued)

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 LLP will therefore continue in office.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read "Derrick Allan", with a small flourish at the end.

Derrick Allan
Director
25 November 2015

SSE Micro Renewables 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 Micro Renewables Limited

Independent Auditor's Report to the Members of SSE Micro Renewables Limited

We have audited the financial statements of SSE Micro Renewables Limited for the year ended 31 March 2015 as set out on pages 5 to 12. 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 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 2015 and of its profit for the financial 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.

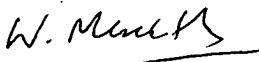
Opinion on other matter prescribed by the Companies Act 2006

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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



William Meredith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

25 November 2015

SSE Micro Renewables Limited

Profit and Loss Account for the year ended 31 March 2015

		2015	2014
	Note	£	£
Turnover		52,242	35,922
Cost of sales		-	-
Gross profit		52,242	35,922
Administrative costs	4	(74,518)	(30,120)
Exceptional items	3	449,999	2,205,000
Operating profit	2	427,723	2,210,802
Net interest receivable		2,639	-
Net interest payable		(13,029)	-
Profit on ordinary activities before taxation		417,333	2,210,802
Taxation	5	6,979	(431)
Profit for the year	12	424,312	2,210,371

There have been no recognised gains or losses during the year other than as recorded in the profit and loss account.

The above results are derived from continuing activities.

The accompanying notes form part of these financial statements.

SSE Micro Renewables Limited

Balance Sheet as at 31 March 2015

		2015	2014
	Note	£	£
Fixed assets:			
Investments	6	-	1
Tangible assets	7	679,356	722,874
Current assets			
Debtors: amounts falling due within one year	8	170,802	2,246,516
Debtors: amounts falling due greater than one year	8	1,283,930	-
Current liabilities			
Creditors: amounts falling due within one year	9	(31,000)	(752,995)
Net current assets		<u>1,963,732</u>	<u>1,493,521</u>
Total assets less current liabilities		2,643,088	2,216,396
Creditors: amounts falling due within one year			
Deferred tax liability	10	(8,404)	(6,024)
Net assets		<u>2,634,684</u>	<u>2,210,372</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	2,634,683	2,210,371
Shareholders' funds		<u>2,634,684</u>	<u>2,210,372</u>

These financial statements were approved by the directors on 25 November 2015 and signed on their behalf by

Derrick Allan

Derrick Allan
Director

Company Registered Number SC386017

SSE Micro Renewables Limited

Reconciliation of Movements in Shareholders' Funds as at 31 March 2015

	2015	2014
	£	£
Profit for the period	424,312	2,210,371
Net movement in shareholders' funds	424,312	2,210,371
Opening shareholders' funds	2,210,372	1
Closing shareholders' funds	2,634,684	2,210,372

SSE Micro Renewables Limited

Notes on the financial statements for the year ended 31 March 2015

1. Principal accounting policies

Basis of Accounting

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies are summarised below and have been applied consistently.

SSE Micro Renewables 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 Micro Renewables Limited.

Under Financial Reporting Standard 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 Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the SSE Group.

Turnover

Turnover is recognised to the extent that it is probable and the economic benefit will flow to the company, and that the turnover can be reliably measured. Turnover comprises the value of contracted services, facilities provided and goods sold during the year in the normal course of business.

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.

Tangible Fixed Assets

(i) Depreciation

Depreciation is provided on tangible fixed assets to write off cost, less residual values, on a straight-line basis over their estimated operational lives.

SSE Micro Renewables Limited

Notes on the financial statements for the year ended 31 March 2015

Tangible fixed assets (continued)

(ii) Subsequent Expenditure

Expenditure incurred to replace a component of a tangible fixed asset that is accounted for separately is capitalised. Other subsequent expenditure is capitalised only when it increases the future economic benefits of the tangible fixed asset to which it relates.

2. Operating Profit

Operating profit is arrived at after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets (Note 7)	<u>43,519</u>	<u>30,120</u>

The Company audit fee for the period of £1,000 (2014 – £1,000) was borne by the parent company

3. Exceptional Items.

	2015 £	2014 £
Exceptional credit on the disposal of investment:	<u>449,999</u>	<u>2,205,000</u>

During the course of the year, the company disposed of its investment in SSE Micro Renewables (Domestics) Ltd.

4. Staff, Directors' and Auditor's Remuneration

There were no staff employed by the Company during the period. No director received remuneration in respect of service to the Company.

5. Taxation

	2015 £	2014 £
Current tax:		
United Kingdom corporation tax	<u>(9,359)</u>	<u>(5,593)</u>
Deferred tax:		
Origination and reversal of timing differences	2,380	6,927
Effect of change in tax rate	-	(903)
	<u>2,380</u>	<u>6,024</u>
Total tax on profit on ordinary activities	<u>(6,979)</u>	<u>(431)</u>

SSE Micro Renewables Limited

Notes on the financial statements for the year ended 31 March 2015

5. Taxation (continued)

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:

	2015 £	2014 £
Profit before taxation	417,333	(2,210,802)
Tax on profits on ordinary activities at standard UK corporation tax rate of 21% (2014 - 23%)	87,640	(508,484)
Effects of:		
Non taxable income	(94,619)	(507,150)
Capital allowances in excess of depreciation	(2,380)	(6,927)
Current tax credit for year	(9,359)	(5,593)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 May 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

6. Fixed Asset Investment

	2015 £	2014 £
Investment in subsidiary undertaking	-	1

During the course of the year, SSE Micro Renewables Ltd disposed of its investment as shown below in SSE Micro Renewables (Domestic) Ltd to Anesco. Consideration received for this sale was £450,000, the company recognised a gain on disposal of £449,999.

	Holding	Proportion Held	Nature of Business
Subsidiary undertaking			
SSE Micro Renewables (Domestic) Limited	1 Ordinary share	100%	Micro Renewable Generation

SSE Micro Renewables Limited

Notes on the financial statements for the year ended 31 March 2015

7. Tangible Fixed Assets

	Equipment £
Cost:	
At 1 April 2014 and 31 March 2014	752,994
Depreciation:	
At 1 April 2014	30,120
Charge for the year	43,519
At 31 March 2015	<u>73,639</u>
Net book value:	
At 31 March 2015	<u>679,356</u>
At 1 April 2014	<u>722,874</u>

8. Debtors: amounts falling due within one year:

	2015 £	2014 £
Amounts due from group undertakings	10,844	35,923
Corporation tax credit	9,359	5,593
Other receivables	150,599	2,205,000
	<u>170,802</u>	<u>2,246,516</u>

Amounts falling due greater than one year:

Amounts due from group undertakings	<u>1,823,930</u>	-
	<u>1,994,732</u>	<u>2,246,516</u>

9. Creditors: amounts falling due within one year:

	2015 £	2014 £
Amounts due to group undertakings	31,000	752,995
	<u>31,000</u>	<u>752,995</u>

SSE Micro Renewables Limited

Notes on the financial statements for the year ended 31 March 2015

10. Deferred Taxation

	2015 £	2014 £
Accelerated capital allowances	8,404	6,024
	<u>8,404</u>	<u>6,024</u>
		£
Asset at start of the year		6,024
Charged to the profit and loss		<u>2,380</u>
Asset at end of the year		<u>8,404</u>

11. Share Capital

The called up share capital was:

	2015 £	2014 £
Allotted, called up and fully paid: 1 ordinary share of £1	<u>1</u>	<u>1</u>

12. Profit and Loss account

	£
At 31 March 2014	2,210,371
Profit for the year	<u>424,312</u>
At 31 March 2015	<u>2,634,683</u>

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