

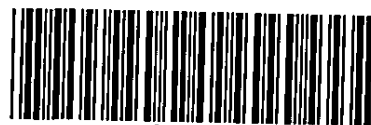
Griffin Wind Farm
Limited

Directors' report and
financial statements

Year ended 31 March 2012

Registered number: SC245113

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Griffin Wind Farm Limited

Directors' report and financial statements

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Griffin Wind Farm Limited

Directors and other information

Directors

D. Gardner
C. Giblin (Irish)

Registered office

Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ
Scotland

Secretary

L. J. V. Donnelly

Solicitors

Harper MacLeod
The Ca'D'Oro
45 Gordon Street
Glasgow
G11 3PE

Bankers

Ulster Bank
11-16 Donegall Square East
Belfast
BT1 5UB

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Griffin Wind Farm Limited

Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2012.

Principal activity, business review (including principal risks and uncertainties) and future developments

During the year, the company commenced its operations being the generation of renewable electricity from its 156MW windfarm in Scotland. All sales of electricity are made to a fellow group company, SSE Energy Supply Limited.

The principal risks facing the company are lower wind speeds than anticipated resulting in less electricity generation, no off-take for electricity produced resulting in lower sales and technical issues with plant and machinery resulting in down-time of turbines. To mitigate against electricity off-take risk, purchase price agreements are in place which guarantee sales of electricity. To mitigate against technical risk, the company has also put in place a team of experienced operators who are responsible for monitoring wind farm performance and maintaining adequate stocks of essential parts.

The company's immediate parent company is Griffin Wind Farm (Holdings) Limited. The ultimate parent undertaking is SSE plc.

Results for the year and state of affairs as at 31 March 2012

The results for the year ended 31 March 2012 are set out on page 9.

The balance sheet at 31 March 2012 is set out on page 10 and indicates net assets of £1,096,000 (2011: *Net liabilities £1,144,000*). The directors do not recommend the payment of a dividend.

Directors and secretary

The following directors resigned from office during the year:

Director	Resignation date
F. McGregor Alexander	14/10/2011
B. O'Regan	17/07/2012

The following directors were appointed during the year:

Director	Appointment date
B. O'Regan (Alternate Director)	20/05/2011
D. Gardner	14/10/2011

The current directors and secretary are those listed on page 1. In accordance with the Articles of Association of the company the directors are not required to retire by rotation.

Griffin Wind Farm Limited

Directors' report *(continued)*

Post balance sheet events

On 2 April 2012, SSE Calliacher Limited transferred its assets to Griffin Windfarm Limited, whose immediate parent undertaking is Griffin Wind Farm (Holdings) Limited is a 100% owned subsidiary of SSE plc, registered in the United Kingdom for a consideration of £6.5m.

There have been no other significant events since the balance sheet date.

Political and charitable donations

The company did not make any political or charitable donations during the year *(2011: £nil)*.

Going concern

The company is dependent on ongoing financial support from a fellow group company. The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. A fellow group company has given an undertaking not to demand repayment of monies advanced to the company for the foreseeable future.

Disclosure of information to 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

In accordance with Section 487 of the Companies Act, 2006, the auditor, KPMG, Chartered Accountants, will be deemed to be reappointed and therefore will continue in office.

On behalf of the Board



D. Gardner
Director



C. Giblin
Director

21 August 2012

Griffin Wind Farm 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 judgements 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.

On behalf of the Board



D. Gardner
Director



C. Giblin
Director



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Griffin Wind Farm Limited

We have audited the financial statements of Griffin Wind Farm Limited for the year ended 31 March 2012, which comprise the profit and loss account, the balance sheet and the related notes. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 website 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.



Independent auditor's report to the members of Griffin Wind Farm Limited
(continued)

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.

C. Mullen (Senior Statutory Auditor)
For and behalf of KPMG, Statutory Auditor
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

21 August 2012

Griffin Wind Farm Limited

Statement of accounting policies *(continued)*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Scotland. The financial statements are stated in Pounds Sterling and have been rounded to the nearest thousand.

Going concern

The company is dependent on ongoing financial support from a fellow group company. The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. A fellow group company has given an undertaking not to demand repayment of monies advanced to the company for the foreseeable future.

Cash flow statement

The company is exempt from the requirements of FRS 1 '*Cash flow Statements*' (Revised) to include a cash flow statement as part of its financial statements because the company is a wholly owned subsidiary of SSE plc, which publishes a consolidated cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provisions for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life. The useful lives currently used are as follows:

Operating windfarms	20 years
Operating equipment	5 years

Related party transactions

The company is availing of the exemption under FRS 8 '*Related party disclosures*', whereby as it is a wholly owned subsidiary undertaking of SSE plc, it is not disclosing transactions with any group undertakings which are consolidated in the financial statements of SSE plc.

Turnover

Turnover is exclusive of Value Added Tax and consists of electricity sold to fellow group companies together with revenue earned under the Renewable Obligation Certificates ('ROCs') regime. Electricity sales are based on meter readings and include an estimate of the fair value of units supplied between the date of the last meter reading and year end. 'ROCs' revenue is based on units generated during the period times estimated selling price.

Griffin Wind Farm Limited

Statement of accounting policies *(continued)*

Taxation

Current tax, including UK corporation and foreign tax, is provided on the company's taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable profits from which future reversals of the underlying timing differences can be deducted.

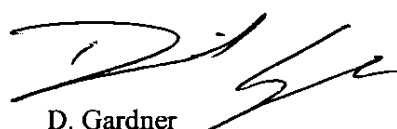
Griffin Wind Farm Limited

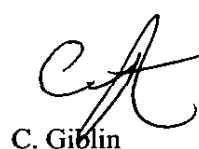
Profit and loss account for the year ended 31 March 2012

	<i>Note</i>	2012 £'000	2011 £'000
Turnover – continuing operations	2	13,412	-
Cost of sales		(7,913)	-
Operating profit – continuing operations		5,499	-
Interest payable and similar charges	3	(3,285)	-
Profit on ordinary activities before taxation	4	2,214	-
Tax credit on profit on ordinary activities	5	26	61
Profit for the financial year	13	2,240	61

The company had no recognised gains or losses in the current year or the prior financial year other than those dealt with in the profit and loss account.

On behalf of the Board


D. Gardner
Director


C. Giblin
Director

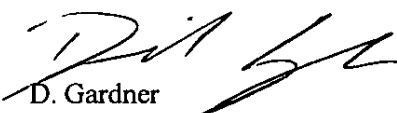
Griffin Wind Farm Limited

Balance Sheet as at 31 March 2012

	<i>Note</i>	2012 £'000	2011 £'000
Fixed assets			
Tangible assets	6	212,588	89,299
Current assets			
Debtors	7	21,980	4,690
Cash at bank and in hand	8	1,918	1,940
		23,898	6,630
Creditors: amounts falling due within one year	9	(226,760)	(6,699)
Net current liabilities		(202,862)	(69)
Total assets less current liabilities		9,726	89,230
Creditors: amounts falling due after more than one year	10	-	(89,581)
Provisions for liabilities & charges	11	(8,630)	(793)
Net assets/(liabilities)		1,096	(1,144)
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	1,095	(1,145)
Shareholders' funds/(deficit)	13	1,096	(1,144)

The accompanying notes form an integral part of this balance sheet.

On behalf of the Board


D. Gardner
Director


C. Giblin
Director

Griffin Wind Farm Limited

Notes

forming part of the financial statements

1 Ownership and operations

The company's immediate parent undertaking is Griffin Wind Farm (Holdings) Limited.

The company's ultimate parent undertaking is SSE plc, registered in the United Kingdom. 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 SSE plc are available to the public and may be obtained from its registered office at Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

No other company financial statements include the results of the company.

2 Turnover

The company's turnover, all of which is derived from the sale of renewable energy to a fellow group company SSE Energy Supply Limited, arises in the United Kingdom.

3 Interest payable and similar charges	2012 £'000	2011 £'000
Interest payable to group companies	3,285	-

4 Statutory and other information

Auditor's remuneration has been borne by another group company in the current and prior year.

	2012 £'000	2011 £'000
<i>Auditors remuneration</i>		
- Audit services	3	3
- Tax advisory services	-	-
	3	3

None of the directors received any emoluments in respect of fees or services to the company in the year ended 31 March 2012 (2011: £nil).

The company had no employees during the year ended 31 March 2012 (2011: nil).

Griffin Wind Farm Limited

Notes (continued)

5 Taxation	2012 £'000	2011 £'000
Current taxation		
Current tax credit at 28%	(7,863)	(854)
Deferred taxation		
Origination and reversal of timing differences	8,556	854
Effect of rate change	(719)	(61)
Tax credit on ordinary activities	(26)	(61)

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:

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	2,214	-
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 26% (2011: 28%)	576	-
<i>Effects of:</i>		
Deductible expenditure capitalised	(1,485)	(854)
Capital allowances in excess of depreciation	(7,071)	-
Expenditure disallowable for tax purposes	117	-
Current tax credit for year	(7,863)	(854)

The March 2012 Budget announced an additional 2% reduction in the tax rate, from 1 April 2012, to 24%. This was substantively enacted before March 2012. This change will reduce the Company's future current tax charge accordingly. As this rate change has been substantively enacted it has the effect of reducing the Company's net deferred tax liabilities recognised at 31 March 2012 by £719,000. It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction (the rate now being reduced to 22% over the next two years) due to legislation not being enacted, although this will further reduce the Company's future current tax charge and reduce the Company's deferred tax liabilities accordingly.

Griffin Wind Farm Limited

Notes (continued)

6 Tangible fixed assets

	Assets under construction £'000	Operating windfarms £'000	Operating windfarm equipment £'000	Total £'000
Cost				
Balance at beginning of year	89,299	-	-	89,299
Additions	120,557	-	7,237	127,794
Transfers	(209,856)	209,856	-	-
Balance at end of year	-	209,856	7,237	217,093
Accumulated depreciation				
Balance at beginning of year	-	-	-	-
Charge for the year	-	(4,210)	(295)	(4,505)
Balance at end of year	-	(4,210)	(295)	(4,505)
Net book value				
At 31 March 2012	-	205,646	6,942	212,588
At 31 March 2011	89,299	-	-	89,299

At 31 March 2012, tangible fixed assets cost included £8.8m of capitalised interest (2011: £3.1m).

7 Debtors

	2012 £'000	2011 £'000
Trade debtors - amounts due from group companies	21,256	-
VAT receivable	61	4,207
Other debtors and prepayments	563	483
	21,980	4,690

Griffin Wind Farm Limited

Notes (continued)

8 Cash at bank and in hand

Included in cash at bank and in hand are amounts totalling £1,918,313 (2011: £1,912,951) of restricted cash balances held on deposit.

9 Creditors: amounts falling due within one year	2012 £'000	2011 £'000
Accruals	16,405	6,699
Amounts due to group undertakings (unsecured, repayable on demand)	210,355	-
	<u>226,760</u>	<u>6,699</u>

10 Creditors: amounts falling due after more than one year	2012 £'000	2011 £'000
Amounts due to group undertakings (unsecured, repayable on demand)	-	89,581
	<u>-</u>	<u>89,581</u>

11 Provisions for liabilities & charges	2012 £'000	2011 £'000
<i>Deferred tax</i>		
At beginning of year	793	-
Charge in year (note 5)	7,837	793
	<u>8,630</u>	<u>793</u>
Balance at end of year	8,630	793

12 Called up share capital	2012 £	2011 £
<i>Authorised, allotted, called up and fully paid</i>		
1,200 ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>

Griffin Wind Farm Limited

Notes (continued)

13 Reconciliation of movement in profit and loss account and shareholders' funds

	Profit and loss account 2012 £'000	Shareholders' funds 2012 £'000	Profit and loss account 2011 £'000	Shareholders' funds 2011 £'000
Balance at beginning of year	(1,145)	(1,144)	(1,206)	(1,205)
Profit for the financial year	2,240	2,240	61	61
Balance at end of year	1,095	1,096	(1,145)	(1,144)

14 Capital Commitments

At 31 March 2012, the company had capital commitments of £Nil (2011: £96.9m).

15 Approval of financial statements

The directors approved these financial statements on 21 August 2012.