SCOTTISHPOWER RENEWABLE ENERGY LIMITED
ANNUAL REPORT AND ACCOUNTS
for the year ended 31 December 2022

Registered No. SC326127

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
ANNUAL REPORT AND ACCOUNTS
for the year ended 31 December 2022

CONTENTS

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
STRATEGIC REPORT

The directors present their Strategic Report on ScottishPower Renewable Energy Limited ("the Company") for the year ended 31 December 2022.

INTRODUCTION
The principal activity of the Company, registered company number SC326127, is that of a holding company for the Scottish Power Limited Renewables business ("Renewables"). This activity will continue for the foreseeable future.

The ultimate parent of the Company is Iberdrola, S.A. ("Iberdrola") which is listed on the Madrid stock exchange. The immediate parent of the Company is Scottish Power UK plc ("SPUK"). Scottish Power Limited ("SPL") is the United Kingdom ("UK") holding company of the Scottish Power Limited Group ("ScottishPower"), of which the Company is a member.

The Company is part of ScottishPower's Renewables business ("Renewables") responsible for the origination, development, construction and operation of renewable energy generation plants, principally onshore and offshore wind, and also emerging technologies and innovations such as battery storage and solar.

STRATEGIC OUTLOOK
Operating review
During the year a net profit of £316.5 million was recognised (2021 £139.1 million), an increase of £177.4 million from the prior year. This was primarily due to an increase in dividends received from the Company's subsidiaries.

Financial instruments
The Company currently has Other receivables due from SPL and had loans due to it which were repaid in March 2022. The Company had exposure to Credit risk and Treasury risk (comprising both liquidity and market risk) arising from these financial instruments.

Credit risk is the risk that a counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk from Iberdrola Group companies is considered to be low as no Iberdrola Group company has a credit rating lower than BBB+ (in line with Standards & Poors external credit ratings).

Liquidity risk is the risk that the Company will have insufficient funds to meet its liabilities and market risk is the risk of loss that results from changes in market rates (e.g. interest rates). Both of these are managed by ScottishPower's Treasury department, who are responsible for arranging banking facilities on behalf of the Company. The Company produces short-term rolling cash flow requirements and if necessary any required funding is obtained via credit facilities already in place.

PRINCIPAL RISKS AND UNCERTAINTIES
To deliver its strategy, ScottishPower and therefore the Company conducts business in a manner benefitting customers through balancing cost and risk, while delivering shareholder value and protecting its performance and reputation by prudently managing the risks inherent in the business. To maintain this strategic direction, ScottishPower develops and implements risk management policies and procedures, and promotes a robust control environment at all levels of the organisation. Further details of ScottishPower's risk management practices can be found in the most recent Annual Report and Accounts of SPL.

The principal risk and uncertainty of the Company, that may impact current and future operational and financial performance and the management of this risk is described below:

IMPAIRMENT RISK	
RISK	RESPONSE
The potential for impairment in the value of investments.	Review of operational financial performance of the subsidiaries and joint ventures.

ENGAGING WITH STAKEHOLDERS

The importance of engaging with stakeholders

The company believes strongly that effective and meaningful engagement with stakeholders is key to promoting its success and values. Meaningful engagement with stakeholder groups supports the ethos of section 172 of the Companies Act 2006 which states that directors should have regard to stakeholder interests when discharging their duty to promote, in good faith, the success of the Company for the benefit of its members as a whole. Details of how the Company engages with its stakeholders, and how these activities influence the Company's operations, are set out below.

Key stakeholders

The directors are fully aware of their duties under the Companies Act 2006, including as set out in section 172 of the same. The primary responsibility of the board of directors of the Company ("the Board") is to supervise and make decisions as required in relation to the activities of the Company's business and its subsidiaries, all as part of Renewables, in accordance at all times with Renewables' corporate governance system and the provisions of all applicable legislation and regulations. The Board has the responsibility of carrying out the day-to-day management, effective administration and ordinary control of Renewables overall.

The Company's key stakeholder is its shareholder. Notwithstanding this, as a holding company due to the governance framework described above, the Company also has indirect stakeholders, being the stakeholders of its subsidiary entities. The Company's subsidiary entities have four key stakeholder categories: employees and customers; government and regulators; suppliers and contractors; and community and environment. Further details as to how the Company's subsidiaries, engages with these four stakeholder categories are provided in the Section 172 statement.

Shareholders are important to the Company. The Company's relationship with its shareholders is governed by the Company's Articles of Association and provisions of the Governance and Sustainability System which apply to the Company and ScottishPower, of which the Company is a member. As the Company is ultimately wholly-owned by Iberdrola, all ultimate shareholder management activities are carried out by Iberdrola in accordance with its own Shareholder Engagement Policy as published at www.iberdrola.com.

Modern Slavery Statement

The term 'modern slavery' covers both slavery and human trafficking. The Company is committed to human and labour rights and to eliminating modern slavery that could in any way be connected to its business. In accordance with the Modern Slavery Act 2015, ScottishPower has produced its own Modern Slavery Statement, which is subject to annual approval by the board of directors of SPL. This statement is published at:
www.scottishpower.com / 'Sustainability' / 'Sustainable business' / 'ScottishPower's Modern Slavery Statement'.

SECTION 172 STATEMENT

Statement by the directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The Companies (Miscellaneous) Reporting Regulations 2018 requires the directors of the Company to give a statement which describes how the directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when discharging their duty under that section.

The directors acknowledge and understand their duties and responsibilities, including that, under section 172 of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long-term;
b) the interests of the company's employees;
c) the need to foster the company's business relationships with suppliers, customers and others;
d) the impact of the company's operations on the community and the environment;
e) the desirability of the company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly as between members of the company.

The delivery of the strategy of the Renewables business (headed by the Company), requires the Renewables business to conduct business in a manner benefitting customers through balancing cost and risk while delivering shareholder value and protecting the performance and reputation of the Renewables business by prudently managing risks inherent in the business. In carrying out this strategy, the directors' duties under section 172 of the Companies Act 2006 have been considered.

SECTION 172 STATEMENT *continued*

The Board is responsible for the effective management of the Renewables business, in accordance with the strategy of that business. The Board meets regularly and reviews strategy, operational performance and risk issues on behalf of the Renewables business, and to also approve certain reserved matters as defined under the terms of reference of the Board. The terms of reference of the Board are published at www.scottishpowerrenewables.co.uk under 'Corporate Governance' / 'Governance and Sustainability System' / 'Corporate Governance' / 'Governance Rules of the Corporate Decision-Making Bodies and of Other Internal Functions and Committees'.

The Board fully recognises that effective and meaningful engagement with stakeholders is key to promoting the success of the Company.

The Company identifies and interacts with its stakeholders via its principal transactional subsidiaries; including ScottishPower Renewables (UK) Limited ("SPRUKL"), ScottishPower Renewables (WODS) Limited ("SPRWODS") and East Anglia One Limited ("EA1"). For further information on these entities' respective engagement with their specific stakeholders, refer to the relevant section of the Strategic Report in their most recent annual accounts. The accounts of SPRUKL, SPRWODS and EA1, together with these Accounts, are each published at https://www.scottishpowerrenewables.com/pages/annual_report_and_accounts.aspx. In addition, please refer to the 'Engaging with stakeholders' section of the Strategic Report which sets out the Board's oversight of the consideration given to the Company's, and Renewables', engagement with key stakeholders.

The directors believe strongly that effective and meaningful engagement with stakeholders is key to promoting the success of the Company. Details of the Company's key stakeholders (both direct and indirect) and how the Company engages with them are as follows:

- **Customers:** details of how Renewables, and so the Company, engages with its customers are explained in the 'Customers' section of the Strategic Report of the principal transactional subsidiaries (refer to the most recent annual accounts of SPRUKL, SPRWODS and EA1). Renewables' principal customers are offtakers of the renewable energy produced by its operational windfarms. During the year, the Board received regular updates on key production and availability performance indicators in respect of those windfarms, as well as prospective corporate offtake agreements as part of Renewables' development pipeline.
- **Employees**: details of how Renewables, and so the Company, engages with its employees are set out in the 'Employees' section of the Strategic Report of the most recent SPRUKL annual accounts. During the year, the Board received regular updates on health and safety performance indicators with respect to Renewables employees.
- **Communities and the environment:** details of Renewables, and so the Company, engages with communities and considers the environment are set out in the 'Community and environment' section of the Strategic Report of the principal transactional subsidiaries (refer to the most recent annual accounts of SPRUKL, SPR WODS and EA1). During the year, the Board considered and approved numerous contracts for environmental and geological survey works or monitoring as part of the consenting requirements of Renewables' development project pipeline.
- **Suppliers:** details of how Renewables, and so the Company, engages with its suppliers are set out in the 'Suppliers and contractors' section of the Strategic Report of the principal transactional subsidiaries (refer to the most recent annual accounts of SPRUKL, SPRWODS and EA1). During the year, the Board approved key procurement contract awards for Renewables in accordance with the parameters specified in the Board's terms of reference, and received regular updates on health and safety performance indicators with respect to Renewables suppliers.
- **Government and regulators**: details of how Renewables, and so the Company, engages with governments and regulators are set out in the 'Government and regulators' section of the Strategic Report of the principal transactional subsidiaries (refer to the most recent annual accounts of SPRUKL, SPRWODS and EA1). During the year, the Board received regular updates on the political-economic environment in the jurisdictions in which Renewables operates, and project-specific updates.

In addition, a statement in relation to the Company's interaction with its shareholders is described in the introduction to the 'Engaging with stakeholders' section of the Strategic Report on page 2.

The directors, both individually and collectively as a board, consider that the decisions taken during the year ended 31 December 2022 in discharging the function of the Board were in conformance with their duty under section 172 of the Companies Act 2006.

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
STRATEGIC REPORT ***continued***

SECTION 172 STATEMENT ***continued***

The Board is assisted in considering key stakeholders (direct and indirect) as part of the decision-making process by including stakeholder considerations in board papers as appropriate, and board papers are carefully reviewed and considered by all directors.

ON BEHALF OF THE BOARD

Nicola M. Connelly

Nicola Connelly
Director
20 **June 2023**

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
DIRECTORS' REPORT

The directors present their report and audited Accounts for the year ended 31 December 2022.

INFORMATION CONTAINED WITHIN THE STRATEGIC REPORT

The directors have chosen to disclose information on the following, required by the Companies Act 2006 to be included in the Directors' Report, within the Strategic Report, found on pages 1 to 4:

- information on financial risk management and policies; and
- information regarding future developments of the Company's business.

STREAMLINED ENERGY AND CARBON REPORTING

The Company is exempt under section 20A of Part 7A of Schedule 7 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the requirements to present disclosures concerning greenhouse gas emissions, energy consumption and energy efficiency action as such disclosures relating to the SPL Group, of which the Company is a part, are presented in the most recent Annual Report and Accounts of SPUK.

RESULTS AND DIVIDENDS

The net profit for the year was £316.5 million (2021 £139.1 million). A dividend of £316.3 million was paid during the year (2021 £138.9 million).

DIRECTORS

The directors who held office during the year were as follows:

Xabier Viteri Solaun (Chairman, internal, non-executive director)	
Lindsay McQuade (CEO)	(resigned 10 June 2022)
Charles Jordan (CEO)	(appointed 18 July 2022)
Dr Bridget McConnell (External, non-executive director)	(appointed 21 June 2022)
Nicola Connelly (Internal, non-executive director)	
Charles Langan (Internal, non-executive director)	
Álvaro Martínez Palacio (Internal, non-executive director)	
Marion Shepherd Venman (Internal, non-executive director)	

At the date of this report, there have been no changes to the composition of the Board since the year end.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS

The directors are responsible for preparing the Annual Report and Accounts 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), including FRS 101 *Reduced Disclosure Framework.*

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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information relating to the Company that is included on the ScottishPower website. Legislation in the UK governing the preparation and dissemination of the financial statements differs from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the directors in office as at the date of this Annual Report and Accounts confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

KPMG LLP was re-appointed as the auditor of the Company for the year ending 31 December 2023.

ON BEHALF OF THE BOARD

Nicola M. Connelly.

Nicola Connelly
Director
20 **June 2023**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCOTTISHPOWER RENEWABLE ENERGY LIMITED

Opinion

We have audited the financial statements of ScottishPower Renewable Energy Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of financial position, Income statement, Statement of comprehensive income, Statement of changes in equity and related notes, including the accounting policies in Note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period;

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.

Fraud and breaches of laws and regulations – ability to detect *continued*

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic Report and Directors' Report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 5 and 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCOTTISHPOWER RENEWABLE ENERGY LIMITED *continued*

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Ian Prescott

Ian Prescott (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St. Vincent Street
Glasgow
G2 5AS
23 June 2023

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
STATEMENT OF FINANCIAL POSITION
at 31 December 2022

	Notes	2022 £m	2021 Restated* £m
ASSETS			
NON-CURRENT ASSETS			
Non-current financial assets		**2,033.3**	2,033.3
Investments in subsidiaries	3	2,033.3	2,033.3
Non-current other receivables	4	**39.1**	48.9
TOTAL NON-CURRENT ASSETS		**2,072.4**	2,082.2
CURRENT ASSETS			
Current other receivables	4	**0.9**	0.7
TOTAL CURRENT ASSETS		**0.9**	0.7
TOTAL ASSETS		**2,073.3**	2,082.9
EQUITY AND LIABILITIES			
EQUITY			
Of shareholders of the parent		**2,073.3**	2,073.1
Share capital	5, 6	2,047.5	2,047.5
Hedge reserve	6	-	-
Retained earnings	6	25.8	25.6
TOTAL EQUITY		**2,073.3**	2,073.1
CURRENT LIABILITIES			
Bank borrowings and other current financial liabilities		**-**	9.8
Loans and other borrowings	7	-	9.1
Derivative financial instruments	8	-	0.7
TOTAL CURRENT LIABILITIES		**-**	9.8
TOTAL LIABILITIES		**-**	9.8
TOTAL EQUITY AND LIABILITIES		**2,073.3**	2,082.9

*Comparative figures have been restated (refer to Note 1B1.1).

Approved by the Board and signed on its behalf on 20 June 2023.

Nicola Connelly
Director

The accompanying Notes 1 to 15 are an integral part of the Statement of financial position at 31 December 2022.

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
INCOME STATEMENT
for the year ended 31 December 2022

	Notes	2022 £m	2021 £m
External services		(0.7)	(0.3)
Other operating results		-	0.2
OPERATING LOSS		**(0.7)**	(0.1)
Dividends received		316.3	138.9
Finance income	10	1.0	2.5
Finance costs	11	(0.1)	(2.2)
PROFIT BEFORE TAX		**316.5**	139.1
Income tax	12	-	-
NET PROFIT FOR THE YEAR		**316.5**	139.1

Net profit for both years is wholly attributable to the equity holder of ScottishPower Renewable Energy Limited.

All results relate to continuing operations.

The accompanying Notes 1 to 15 are an integral part of the Income statement for the year ended 31 December 2022.

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Note	2022 £m	2021 £m
NET PROFIT FOR THE YEAR		**316.5**	139.1
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to the Income statement:			
Cash flow hedges:			
Change in the value of cash flow hedges	6	-	0.1
Tax relating to cash flow hedges		-	-
		-	0.1
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	0.1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**316.5**	139.2

Total comprehensive income for both years is wholly attributable to the equity holder of ScottishPower Renewable Energy Limited.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share capital £m	Hedge reserve £m	Retained earnings £m	Total £m
At 1 January 2021	2,047.5	(0.1)	25.4	2,072.8
Total comprehensive income for the year	-	0.1	139.1	139.2
Dividends paid	-	-	(138.9)	(138.9)
At 1 January 2022	2,047.5	-	25.6	2,073.1
Total comprehensive income for the year	-	-	316.5	316.5
Dividends paid	-	-	(316.3)	(316.3)
At 31 December 2022	**2,047.5**	**-**	**25.8**	**2,073.3**

The accompanying Notes 1 to 15 are an integral part of the Statement of comprehensive income and Statement of changes in equity for the year ended 31 December 2022.

SCOTTISHPOWER RENEWABLE ENERGY LIMITED
NOTES TO THE ACCOUNTS
31 December 2022

1 BASIS OF PREPARATION

A COMPANY INFORMATION

ScottishPower Renewable Energy Limited, registered company number SC326127, is a private company limited by shares, incorporated in Scotland and its registered office is 320 St. Vincent Street, Glasgow, G2 5AD, Scotland.

B BASIS OF PREPARATION

B1 BASIS OF PREPARATION OF THE ACCOUNTS

The Company is required by law to prepare accounts and to deliver them to the Registrar of Companies. The Accounts are prepared in accordance with the accounting policies set out in Note 2. Monetary amounts are presented in pounds Sterling and are rounded to the nearest hundred thousand unless otherwise indicated. The Accounts are prepared on the historical cost basis apart from certain financial assets and liabilities which are measured at fair value.

The Accounts contain information about ScottishPower Renewable Energy Limited as an individual company and do not contain consolidated financial information as the parent of subsidiary companies or the investor in joint ventures. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated accounts as it and its subsidiary undertakings and joint ventures are included by full consolidation in the consolidated accounts of its immediate parent company, SPUK.

The Accounts have been prepared in accordance with 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 international accounting standards ("IAS") as adopted by the UK ("UK-adopted IAS") in conformity with the requirements of the Companies Act 2006 including newly effective IAS for the year ended 31 December 2022 (refer to Note 1C). In applying FRS 101, the Company has made amendments where necessary in order to comply with the Companies Act 2006 and has set out below where FRS 101 disclosure exemptions have been taken:

- disclosures in respect of transactions with wholly-owned subsidiaries of Iberdrola, S.A.;
- disclosures in respect of capital management;
- the effects of new, but not yet effective, IAS pronouncements;
- disclosures in respect of the compensation of key management personnel; and
- the preparation of a Statement of cash flows and the related notes.

As the consolidated financial statements of Iberdrola, S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 'Fair Value Measurement' and the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

B1.1 PRIOR YEAR ADJUSTMENT – CLASSIFICATION OF LOANS RECEIVABLE

IAS 1 'Presentation of Financial Statements' requires that loans should be classified as current or non-current in line with whether the entity expects them to be settled or received within twelve months of the reporting date. Following a review of its loans, the directors identified that certain loans receivable (those due from Iberdrola Group companies which are repayable on demand) were classified as current in the prior year and should have been classified as non-current. The comparatives have been restated for this re-classification. The impact is a decrease of £48.7 million in the Current other receivables at 31 December 2021 from £49.4 million as previously reported to £0.7 million and a corresponding increase in Non-current other receivables from £0.2 million as previously reported to £48.9 million. There is no impact on the Company's net assets position at 1 January 2021 or its results for the year ended 31 December 2021.

B2 GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The principal activity of the Company is that of a holding company for Renewables, within the group headed by SPUK ("the SPUK Group"). SPUK, the Company's intermediate parent company, is itself a subsidiary of Iberdrola, S.A., the ultimate parent undertaking. The Company's cash flows are therefore dependent on the continuation of Renewables' operations and have been considered as part of the SPUK Group's cash flow forecasts, on which the directors of the SPUK Group have performed an assessment of reasonably possible downsides.

1 BASIS OF PREPARATION *continued*

To meet its working capital requirements, the Company participates in a UK centralised treasury function operated by the Company's intermediate parent company SPL, the parent company of SPUK. ScottishPower's treasury function works closely with Iberdrola to manage the Company's funding requirements. There has been no indication that these arrangements may change.

The directors have performed a going concern assessment which indicates that, in the case of reasonably possible downsides, the Company will require additional funds, through funding from SPUK, to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements.

SPUK has indicated its intention to make available such funds as are needed by the Company, in the event this is required. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements and, therefore, have prepared the financial statements on a going concern basis.

C IMPACT OF NEW IAS

As noted above, these Accounts have been prepared in accordance with UK-adopted IAS. In preparing these Accounts, the Company has applied all relevant standards and interpretations that have been adopted by the UK as of the date of approval of these Accounts and that are mandatory for the financial year ended 31 December 2022.

For the year ended 31 December 2022, the Company has applied the following amendments for the first time:

Standard	Note
• Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract'	(a)
• Amendments to IFRS 3 'Business Combinations: Reference to the Conceptual Framework'	(a)
• Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before intended use'	(a)
• Annual Improvements to IFRS Standards 2018-2020 Cycle	(a)

(a) The application of these amendments has not had a material impact on the Company's accounting policies, financial position or performance.

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES

In determining and applying accounting policies, judgement and estimation is often required in respect of items which have a significant effect on the reported amounts of assets, liabilities, income and expenses recognised in the financial statements. Management considers significant judgements and estimates to be those with a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year due to inherent uncertainty regarding estimates and assumptions. There are no significant judgements or estimates at 31 December 2022.

The impact of climate change on the financial statements has been considered. No material impact on the judgements and estimates made in the preparation of the financial statements has been identified. This consideration focussed on the Company's going concern position.

Additionally, consideration has been given to any estimates over the longer term which should be disclosed to allow for an understanding of the financial statements. The Company has no estimates of this nature to disclose.

The principal accounting policies applied in preparing the Company's accounts are set out below:

A INVESTMENTS
B FINANCIAL INSTRUMENTS
C FOREIGN CURRENCIES
D TAXATION

A INVESTMENTS

The Company's investments in subsidiaries are stated in the Statement of financial position at cost, or fair value of shares issued as consideration where applicable. Dividends from subsidiaries are recognised when the right to receive the dividend is established.

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES *continued*

B FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

B1 FINANCIAL ASSETS

B1.1 CLASSIFICATION

Financial assets are classified as measured at amortised cost. The classification of financial assets depends on the Company's business model for managing them to generate cash flows.

The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The business model of the Company does not depend on the intentions of management for an individual instrument. Therefore, it is not an instrument-by-instrument classification approach but determined from a higher level of aggregation.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'SPPI' test.

Financial assets are only subsequently reclassified when the Company changes its business model for managing them. Reclassifications are effective from the first day of the first reporting period following the change in business model. Such reclassifications are expected to be infrequent.

B1.2 RECOGNITION AND MEASUREMENT

(a) Initial recognition and measurement

All financial assets, except for other receivables which are initially recognised when they originate, are initially recognised when the Company becomes party to the contractual provisions of the instrument.

(b) Subsequent measurement and gains and losses

Financial assets classified as amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, and net credit losses are recognised in the Income statement. Any gain or loss on derecognition is also recognised in the Income statement.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Statement of financial position) when the rights to receive cash flows from the asset have expired.

B2 FINANCIAL LIABILITIES

B2.1 CLASSIFICATION

Financial liabilities are classified as measured at amortised cost.

B2.2 CLASSIFICATION AND SUBSEQUENT MEASUREMENT

(a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(b) Subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Income statement. Any gain or loss on derecognition is also recognised in the Income statement.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees, or costs that are an integral part of the effective interest rate. The effective interest charge is included as Finance costs in the Income statement.

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES *continued*

(c) Derecognition

The Company derecognises a financial liability when the obligation under that liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the original liability is derecognised and a new liability recognised. The difference in their respective carrying amounts is recognised in the Income statement.

B3 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

B3.1 DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments, such as forward foreign currency contracts, to hedge its foreign currency risks. Derivatives are carried as financial assets and financial liabilities when their fair values are positive and negative respectively.

The gain or loss on remeasurement to fair value is recognised immediately in the Income statement unless the derivative is subject to hedge accounting. Where the derivative is subject to hedge accounting, the recognition of any gain or loss depends on the nature of hedge accounting applied (refer to Note 2B3.2).

At the inception of a hedge relationship, the Company formally designates and documents the relationship to which it wishes to apply hedge accounting, the risk management objective, and the strategy for undertaking the hedge.

The hedge documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is 'an economic relationship' between the hedged item and the hedging instrument;
- the effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- the hedge ratio of the relationship is the same as that resulting from the quantity of the hedged item and the quantity of the hedging instrument that the Company uses to hedge that quantity of hedged item.

Reliefs from certain requirements of hedge accounting have been taken where applicable, including the reliefs which prevent the interruption of hedging relationships by uncertainties. The accounting for cash flow hedges is discussed at Note 2B3.2.

B3.2 CASH FLOW HEDGES

The Company designates only the spot element of treasury-related forward foreign currency contracts (hedging the value of currency denominated intercompany loans) as a hedging instrument. The forward element is recognised in Other comprehensive income and accumulated in a separate component of the hedge reserve under the cost of hedging reserve.

For hedges of financing activities, any ineffectiveness is recognised within Finance income or Finance costs, as appropriate, in the Income statement. For hedges that relate to an underlying transaction which results in recognition of a financial asset or a liability, amounts deferred in equity are recognised in the Income statement in the same period in which the hedged item affects it.

The Company discontinues hedge accounting when the hedge instrument expires or is sold, terminated or exercised, or when the hedge relationship no longer qualifies for hedge accounting. In the case of cash flow hedging, any gain or loss that has been recognised in equity remains there until the forecast transaction occurs. If the transaction is no longer expected to occur, the gain or loss previously deferred in equity is recognised in the Income statement.

B3.3 VALUATION OF FINANCIAL INSTRUMENTS

In those circumstances where IFRS 9 requires financial instruments to be recognised in the Statement of financial position at fair value, the Company's valuation strategies for derivative and other financial instruments utilise, as far as possible, quoted prices in an active trading market.

In the absence of quoted prices for identical or similar assets or liabilities, it is sometimes necessary to apply valuation techniques where contracts are marked using approved models. Models are used for developing both the forward curves and the valuation metrics of the instruments themselves where they are complex combinations of standard and non-standard products. All models are subject to rigorous testing prior to being approved for valuation, and subsequent continuous testing and approval procedures are designed to ensure the validity and accuracy of the model assumptions and inputs.

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES *continued*

C FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the spot rate at the date of the transaction. At the year end, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date, with exchange gains and losses recognised in Finance income and costs in the Income statement.

D TAXATION

Assets and liabilities for current tax are calculated using the tax rates that have been enacted, or substantively enacted, at the reporting date.

Tax on the profit or loss for the year is comprised of current tax. Tax is recognised in the Income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or shown in the Statement of comprehensive income. For income tax arising on dividends, the related tax is recognised in the Income statement, Statement of comprehensive income, or in equity consistently with the transactions that generated the distributable profits.

3 INVESTMENTS

(a) Movements in investments

	Subsidiary undertakings shares £m
At 1 January 2021, 1 January 2022 and 31 December 2022	**2,033.3**

(b) Subsidiaries and joint arrangements

The table on the following page sets out details of the subsidiaries and joint arrangements of the Company at 31 December. All entities are indirect holdings unless specified.

3 INVESTMENTS *continued*

Name	Principal activities	Registered office and country of incorporation (Note (vi))	Equity interest 2022		2021
Subsidiaries					
Blaenau Gwent Solar Limited (formerly known as EEB14 Limited)	Development of a solar farm	(A)	100%	(i)	-
Bryn Henllys SF Limited (formerly known as Lightsource SPV 75 Limited)	Development of a solar farm	(A)	100%	(i)	-
Coldham Windfarm Limited	Operation of an onshore wind farm	(B)	80%		80%
Cumberhead West Wind Farm Ltd.	Development of an onshore wind farm	(C)	72%	(ii)	72%
Douglas West Extension Ltd	Development of an onshore wind farm	(C)	72%		72%
Down Barn Farm SF Limited (formerly known as Lightsource SPV 174 Limited)	Development of a solar farm	(A)	100%	(i)	-
East Anglia One Limited	Operation of an offshore wind farm	(D)	60%		60%
East Anglia One North Limited	Development of an offshore wind farm	(D)	100%		100%
East Anglia Three Limited	Development of an offshore wind farm	(D)	100%		100%
East Anglia Two Limited	Development of an offshore wind farm	(D)	100%		100%
Grafton Underwood Solar Limited (formerly known as EEB28 Limited)	Development of a solar farm	(A)	100%	(i)	-
Hagshaw Hill Repowering Ltd	Development of an onshore wind farm	(C)	100%		100%
Longney Solar Limited (formerly known as EEB18 Ltd)	Development of a solar farm	(A)	100%	(i)	-
MachairWind Limited	Development of an offshore wind farm	(C)	100%	(iii)	-
Milltown Airfield Solar PV Limited	Development of a solar farm	(A)	100%	(i)	-
Ranksborough Solar Limited (formerly known as EEB27 Limited)	Development of a solar farm	(A)	100%	(i)	-
ScottishPower Renewables (UK) Limited	Development, construction and operation of onshore wind farms	(E)	100%	(iv)	100%
ScottishPower Renewables (WODS) Limited	Operation of an offshore wind farm	(C)	100%		100%
Sparrow Lodge Solar Limited (formerly known as EEB33 Limited)	Development of a solar farm	(A)	100%	(i)	-
Speyslaw Solar Limited (formerly known as EEB11 Limited)	Development of a solar farm	(A)	100%	(i)	-
Thurlaston Solar Limited (formerly known as EEB22 Limited)	Development of a solar farm	(A)	100%	(i)	-
Tuckey Farm Solar Limited (formerly known as EEB24 Limited)	Development of a solar farm	(A)	100%	(i)	-
Wood Lane Solar Limited (formerly known as EEB30 Limited)	Development of a solar farm	(A)	100%	(i)	-
Joint ventures					
CeltPower Limited	Operation of an onshore wind farm	(B)	50%		50%
East Anglia Offshore Wind Limited	Commercial operation of offshore meteorological mast	(D)	50%		50%
Morecambe Wind Limited	Provision of operational services	(F)	50%		50%
Joint operations					
CampionWind Limited	Development of an offshore wind farm	(G)	50%	(iii)	-
MarramWind Limited	Development of an offshore wind farm	(G)	50%	(iii)	-
Dormant subsidiaries in liquidation					
ScottishPower Renewables (UK Assets) Limited	In liquidation	(H)	100%	(v)	100%

(i) ScottishPower Renewables (UK) Limited ("SPRUKL"), a subsidiary of the Company, acquired the entire share capital of the following entities on the date stated for a total consideration of £55.3 million:

• Blaenau Gwent Solar Limited (formerly known as EEB14 Limited)	31 October 2022
• Bryn Henllys SF Limited (formerly known as Lightsource SPV 75 Limited)	5 January 2022
• Down Barn Farm SF Limited (formerly known as Lightsource SPV 174 Limited)	5 January 2022
• Grafton Underwood Solar Limited (formerly known as EEB28 Limited)	13 January 2022
• Longney Solar Limited (formerly known as EEB18 Limited)	20 May 2022
• Milltown Airfield Solar PV Limited	13 January 2022
• Ranksborough Solar Limited (formerly known as EEB27 Limited)	20 May 2022
• Sparrow Lodge Solar Limited (formerly known as EEB33 Limited)	13 January 2022
• Speyslaw Solar Limited (formerly known as EEB11 Limited)	13 January 2022
• Thurlaston Solar Limited (formerly known as EEB 22 Limited)	13 January 2022
• Tuckey Farm Solar Limited (formerly known as EEB24 Limited)	13 January 2022
• Wood Lane Solar Limited (formerly known as EEB30 Limited)	13 January 2022

(ii) This shareholding in this company is held by SPRUKL. On 7 March 2023, SPRUKL acquired the remaining 28% of share capital in this entity.

(iii) MachairWind Limited was incorporated on 12 January 2022 and is a direct and wholly-owned subsidiary of SPRUKL. CampionWind Limited and MarramWind Limited were also incorporated on 12 January 2022 and are 50% joint operations held by SPRUKL.

(iv) This investment is a direct holding of the Company.

(v) ScottishPower Renewables (UK Assets) Limited was placed into member's voluntary liquidation on 22 June 2021, and subsequently dissolved on 12 April 2023.

3 INVESTMENTS *continued*

(vi) The registered offices of the subsidiaries and joint arrangements are as listed below, along with their countries of incorporation. Where a company's registered office is in England it is registered in England and Wales:

(A) 4th Floor, 1 Tudor Street, EC4Y 0AH England
(B) 3 Prenton Way, Prenton, CH43 3ET, England
(C) 320 St Vincent Street, Glasgow, G2 5AD, Scotland
(D) 3rd Floor, 1 Tudor Street, EC4Y 0AH England
(E) The Soloist, 1 Lanyon Place, Belfast, BT1 3LP, Northern Ireland
(F) 5 Howick Place, London, SW1P 1WG, England
(G) 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland
(H) Johnston Carmichael, 227 West George Street, Glasgow, G2 2ND, Scotland

4 OTHER RECEIVABLES

	Notes	2022 £m	2021 Restated* £m
Current receivables:			
Receivables due from Iberdrola Group companies - interest		**0.9**	0.7
		0.9	0.7
Non-current receivables:			
Receivables due from Iberdrola Group companies - loan	(a),(b)	**39.1**	48.9

*Comparative figures have been restated (refer to Note 1B1.1)

(a) £0.2 million of the balance in 2021 earned interest at 5.71% and was repaid in 2023.

(b) £48.7 million in 2021 and the total balance in 2022 earns interest at Bank of England base rate ("Base") plus 1% and is unsecured. It is repayable on demand but classified as non-current as the Company expects to realise the assets after twelve months from the reporting date.

5 SHARE CAPITAL

	2022 £m	2021 £m
Allotted, called up and fully paid shares:		
2,047,511,685 ordinary shares of £1 each (2021 2,047,511,685)	**2,047.5**	2,047.5

Holders of these ordinary shares are entitled to dividends as declared from time to time; amounts on the capitalisation of profits and reserves; and notice and attendance at general meetings of the Company, with every member entitled to one vote on a show of hands and on a poll one vote for every share held.

6 ANALYSIS OF MOVEMENTS IN EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE COMPANY

	Share capital £m	Hedge reserve (Note (a)) £m	Retained earnings (Note (b)) £m	Total £m
At 1 January 2021	2,047.5	(0.1)	25.4	2,072.8
Profit for the year attributable to equity holder of the Company	-	-	139.1	139.1
Changes in the value of cash flow hedges	-	0.1	-	0.1
Dividends	-	-	(138.9)	(138.9)
At 1 January 2022	2,047.5	-	25.6	2,073.1
Profit for the year attributable to equity holder of the Company	-	-	316.5	316.5
Dividends	-	-	(316.3)	(316.3)
At 31 December 2022	**2,047.5**	**-**	**25.8**	**2,073.3**

(a) The hedge reserve represents the balance of gains and losses on cash flow hedges (net of taxation) not yet transferred to income or the carrying amount of a non-financial asset.

(b) Retained earnings comprises the cumulative balance of profits and losses recognised in the accounts as adjusted for transactions with shareholders, principally dividends.

7 LOANS AND OTHER BORROWINGS

(a) Analysis of current loans and borrowings by instrument and maturity

Instrument	Note	Interest rate*	Maturity	2022 £m	2021 £m
Loans with Iberdrola Group companies	(i)	EURIBOR +1.025%	28 March 2022	-	9.1

*EURIBOR – Euro Interbank Offered Rate

(i) The EURIBOR loan with Iberdrola, S.A. was repaid in full on maturity.

8 FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments which are measured in the Statement of financial position at fair value as detailed below.

	Note	Derivative financial instruments £m
At 1 January 2021		0.2
Recorded in Income statement		(2.0)
Recorded in Cash flow hedge reserve		0.1
Other movements	(a)	1.0
At 1 January 2022		(0.7)
Recorded in Income statement		(0.1)
Other movements	(a)	0.8
At 31 December 2022		-

(a) Other movements represents cash paid on settlement of foreign currency forward contracts.
(b) The company no longer has any financial instruments.

9 EMPLOYEE INFORMATION

The Company has no employees (2021 none). Details of directors' remuneration are set out in Note 14(b).

10 FINANCE INCOME

	2022 £m	2021 £m
Interest receivable from Iberdrola Group companies	**0.9**	0.7
Foreign exchange gains	**0.1**	1.8
	1.0	2.5

11 FINANCE COSTS

	2022 £m	2021 £m
Interest on amounts due to Iberdrola Group companies	-	0.2
Foreign exchange losses	**0.1**	1.8
Fair value and other losses on financing derivatives	-	0.2
	0.1	2.2

12 INCOME TAX

	2022 £m	2021 £m
Current tax:		
UK Corporation Tax charge on profits for the year	-	-
Current tax for the year	-	-
Income tax for the year	-	-

The tax charge on profit on ordinary activities for the year varies from the standard rate of UK Corporation Tax as follows:

	2022 £m	2021 £m
Corporation Tax at 19% (2021 19%)	**60.1**	26.4
Dividends from subsidiary	**(60.1)**	(26.4)
Income tax for the year	-	-

Legislation was enacted on 10 June 2021 under the Finance Act 2021 that will increase the UK Corporation Tax rate to 25% from 1 April 2023.

13 DIVIDENDS

	2022 pence per ordinary share	2021 pence per ordinary share	2022 £m	2021 £m
Interim dividend paid	**15.4**	6.8	**316.3**	138.9

14 RELATED PARTY TRANSACTIONS

(a) Transactions and balances arising in the normal course of business (excluding wholly-owned subsidiaries of Iberdrola, S.A.)

	Note	2022 Subsidiaries £m	2021 Subsidiaries £m
Balances outstanding			
Loans receivable	(i)	-	0.2

(i) Loans receivable are secured upon the assets of Coldham Windfarm Limited.
(ii) No guarantees have been given or received.

(b) Directors' remuneration

The total remuneration of the directors that provided qualifying services to the Company is shown below. As these directors are remunerated for their work for Renewables, it has not been possible to apportion the remuneration specifically in respect of services to this company. Of the eight (2021 ten) directors two (2021 two) were remunerated directly by the Company.

	2022 £000	2021 £000
Aggregate remuneration in respect of qualifying services	**1,375**	1,882
Aggregate contributions payable to a defined contribution pension scheme	-	24
Aggregate compensation for loss of office	-	176
Number of directors who exercised share options	**5**	6
Number of directors who received shares under a long-term incentive scheme	**5**	6
Number of directors accruing retirement benefits under a defined benefit scheme	**4**	4
Number of directors accruing retirement benefits under a defined contribution scheme	-	1

Highest paid director	2022 £000	2021 £000
Aggregate remuneration	**355**	441
Accrued pension benefit	**37**	-

(i) The highest paid director received shares under a long-term incentive scheme during both years.
(ii) The highest paid director exercised share options during both years.

14 RELATED PARTY TRANSACTIONS *continued*

(c) Immediate and ultimate parent company

The immediate parent company is SPUK. The registered office of SPUK is 320 St. Vincent Street, Glasgow, G2 5AD.

The directors regard Iberdrola, S.A. (incorporated in Spain) as the ultimate parent company, which is also the parent company of the largest group in which the results of the Company are consolidated. The parent company of the smallest group in which the results of the Company are consolidated is SPUK.

Copies of the consolidated Accounts of Iberdrola, S.A. (incorporated in Spain) may be obtained from Iberdrola, S.A., at its registered office, Torre Iberdrola, Plaza Euskadi 5, 48009, Bilbao, Spain. Copies of the consolidated Accounts of SPUK may be obtained from Scottish Power UK plc at its registered office, 320 St. Vincent Street, Glasgow, G2 5AD.

In addition to the Company's parent undertakings disclosed above, the Company's other related undertakings are disclosed in Note 3.

15 AUDITOR'S REMUNERATION

	2022 **£000**	2021 £000
Audit of the Annual accounts	**40**	35