SCOTTISHPOWER RENEWABLES (UK) LIMITED
ANNUAL REPORT AND ACCOUNTS
for the year ended 31 December 2024

Registered No. NI028425

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SCOTTISHPOWER RENEWABLES (UK) LIMITED
STRATEGIC REPORT

The directors present their Strategic Report on ScottishPower Renewables (UK) Limited ("the Company") for the year ended 31 December 2024.

INTRODUCTION

The principal activity of the Company, registered company number NI028425, is the origination, development, construction, operation and decommissioning of onshore wind-powered electricity generation, with a growing presence in technologies such as battery storage and solar. During the year, the Company continued to operate wind farm sites in the United Kingdom ("UK") and Republic of Ireland. This activity will continue for the foreseeable future.

The ultimate parent of the Company is Iberdrola, S.A. ("Iberdrola") whose shares are listed on all four stock markets in Spain. The immediate parent of the Company is ScottishPower Renewable Energy Limited ("SPREL"). Scottish Power Limited ("SPL") is the 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 production division ("Renewable production" or "the SPREL Group") responsible for the origination, development, construction, operation and decommissioning of renewable energy generation plants, principally onshore and offshore wind, with a growing presence in technologies such as battery storage and solar.

STRATEGIC OUTLOOK

Operating review

The Company's assets continued to perform well throughout 2024 with good availability. The operations and maintenance teams continue to develop their operational model and asset management strategies, including internal capabilities, to increase operational efficiencies and performance in line with increasing capacity and the integration of new technologies.

Construction at the Kilgallioch Extension and Arecleoch Extension wind farm projects, both located in South Ayrshire, has also progressed throughout 2024, adding a further nine turbines to the Kilgallioch site and thirteen turbines to the Arecleoch site, thereby delivering a total of 125.4 megawatts ("MW") additional generating capacity to the Company's portfolio when completed.

Consent was received in September 2024 for the Hollandmey Renewable Energy Development in Caithness, a proposal for ten wind turbines with a capacity of 50 MW, alongside solar panels of around 15 MW and a 15 MW battery energy storage facility.

Harestanes Battery Energy Storage System ("BESS") construction is progressing towards completion with the project now moving into its commissioning phase and expected to begin operations during 2025. Other battery storage opportunities continue to be explored for both co-located and standalone sites.

Construction on Coldham solar farm, which is co-located with the Coldham wind farm, reached its commercial operation date in March 2024 and Renewable production has an agreement in place with Co-op to supply long-term, clean energy from the site.

The Company's staff continue to support both subsidiary and Iberdrola group company projects covering offshore and onshore wind, solar and battery technologies.

2024 performance

	Revenue (Note (a))		Operating profit (Note (a))		Capital investment (Note (b))	
	2024	2023	**2024**	2023	**2024**	2023
Financial key performance indicators	**£m**	£m	**£m**	£m	**£m**	£m
	881.9	643.1	**440.1**	281.8	**95.0**	51.6

(a) Revenue and operating profit as presented on the Income statement on page 23.
(b) Capital investment for 2024 primarily compromises of additions within Property plant and Equipment as well as the reassessment of decommissioning costs. For further information refer to Note 3 on page 34. Capital investment in intangibles assets was £1.4 million.

Revenue increased by £238.8 million to £881.9 million in 2024 as a result of higher energy sales driven by higher output.

Operating profit increased by £158.3 million to £440.1 million in 2024. Higher revenues were primarily offset by a higher cost from the Electricity Generator Levy ("EGL") (£62.5 million). For further details refer to Note 13.

STRATEGIC OUTLOOK ***continued***

Capital investment in 2024 was £95.0 million which is a £43.4 million increase on prior year which is in line with the Company's ongoing commitment to its project pipeline.

Non-financial key performance indicators	Notes	2024	2023
Wind			
Output (GWh*)	(a)	**4045**	3570
Installed capacity (MW)	(b)	**1936**	1939
Availability	(c)	**96%**	95%
Solar			
Output (GWh)	(a), (d)	**8**	5
Installed capacity (MW)	(b), (d)	**19**	10
Battery			
Installed capacity (MW)	(b), (e)	101	101

* Gigawatt hours

a) Output is a measure of the electrical output generated in the year, which in turn drives the revenues of the business.

b) Installed capacity represents the total number of MW installed within the sites. This includes all sites constructed irrespective of whether they are generating or not.

c) Availability is a measure of how effective the business is at ensuring wind generating plant is available and ready to generate.

d) Solar capacity and output in respect of Carland Cross and Coldham Solar PV sites, the latter of which commenced operations in March 2024.

e) Installed capacity relates to Gormans BESS and Whitelee BESS.

Statement of financial position

Net assets of the Company increased by £92.1 million in the year to £2,718.6 million. This reflects the impact of the statutory profit of £557.6 million offset by dividends of £467.0 million paid to the parent, and £1.5 million of hedge reserve movements.

Policy and regulation

The Company continues to actively engage with the UK Government and devolved administrations on priority issues which inform future investment in renewable energy projects.

Looking ahead to Contracts for Difference ("CfD") Allocation Round 7 ("AR7"), which is scheduled to open in summer 2025, the UK Government has confirmed that eligible repowered onshore wind projects can bid for CfDs from AR7.

The Company's key influence across the UK onshore wind sector has also progressed from the Scottish Onshore Wind Sector Deal published in September 2023, through to current involvement and participation on the UK Onshore Wind Taskforce. This taskforce, chaired by the Secretary of State for Energy Security and Net Zero, aims to identify and then deliver the actions needed to radically accelerate onshore wind deployment to 2030 and beyond. The Company is represented on the taskforce together with six subgroups and are set to report recommendations and findings by summer of 2025.

At the end of 2024, the UK Government and Ofgem published their separate ten-year reviews of the Capacity Market scheme, a statutory obligation to assess that the Capacity Market is meeting its stated objectives. Renewable production engaged with this process, advocating for short-term improvements to the scheme. Both reviews concluded that the Capacity Market has met its objectives and continues to incentivise investment in secure electricity generation, but that further improvements are needed to enhance efficiency and better align with UK decarbonisation objectives.

2024 also saw a year of transition across many aspects of planning policy, with a suite of Revised Energy National Policy Statements coming into force. Following the UK general election, the sector also witnessed significant changes in the approach to planning for energy infrastructure, including the removal of some onshore wind planning restrictions via changes to the National Planning Policy Framework ("NPPF") via Written Ministerial Statement in July 2024. Beyond this, wider reform is still expected to the NPPF following the publication of the UK Planning & Infrastructure Bill in 2025. Looking ahead, both UK and devolved governments are expected to continue to reform planning frameworks significantly over the coming twelve months. In Scotland, the National Marine Plan 2, expected in draft by Q4 2025, is intended to provide an up to date and clear policy framework for the consenting of the Company's joint operation offshore wind projects, MarramWind and CampionWind.

In October 2024, the National Energy System Operator ("NESO") was formally commissioned by the UK, Scottish and Welsh governments to produce Great Britain's first Strategic Spatial Energy Plan ("SSEP"). This process is likely to set out a strategic blueprint for Great Britain's energy system, addressing the spatial requirements for future electricity generation and storage infrastructure.

STRATEGIC OUTLOOK *continued*

The SSEP's overarching goal is to create a coordinated approach to energy planning, ensuring that the transition to low-carbon energy is efficient and aligned with national goals for net zero by 2050. The first version of the SSEP will be a GB-wide spatial energy plan mapping potential locations, quantities and types of electricity and storage infrastructure and hydrogen assets. Initial development of the SSEP and engagement with stakeholders will take place throughout 2025 prior to the SSEP being completed in 2026.

Outlook for 2025 and beyond

The Company continues to look for opportunities in future CfD auctions as well as engaging with other partners to create possible purchase price agreements ("PPAs") which deliver a route to market for its onshore projects.

During 2025, the Company looks to continue to grow with construction scheduled throughout the year on the onshore wind farms which secured CfDs under Allocation Round 4 ("AR4"), with one of these projects expected to reach its commercial operations within 2025. The Company is also progressing the Arecleoch Extension wind farm which secured a CfD under AR4 and is expected to enter commercial operations in 2026.

During May 2025, the directors of the Company signed an agreement to sell 50% of the East Anglia Three business (comprising East Anglia Three Holdings Ltd ("EA3H") and East Anglia Three Limited ("EA3")). For further information refer to Note 22.

Development works continue for the Company's joint operation projects, MarramWind and CampionWind, throughout 2025. The view is to complete the scoping report for CampionWind and finalise its applications for key consents and licenses.

The Company will continue to originate, develop and mature more wind, repowering, solar, BESS and hybrid project opportunities in line with business strategy and objectives.

In parallel, and throughout all operations, the Company will continue its commitment to health, safety and the environment; ensuring everything it does is with the safety of its people, contractors and communities in mind whilst recognising the importance of biological diversity and cultural heritage, respecting natural resources and striving to enhance the environment around its developments.

Financial instruments

The Company's financial instruments include trade and other receivables (principally with related parties), trade and other payables, loans and other borrowings (principally with related parties) and derivative financial instruments. The Company has exposure to credit risk and treasury risk (comprising liquidity, market and inflation risk) arising from these financial instruments. Throughout 2024, the Company was also exposed to energy market risk associated with fluctuations in the market price of electricity. The Company is exposed to inflation risk through its CfDs and certain supplier contracts.

The Company provides funding in the form of interest-bearing on demand loans to other related parties. Credit risk from related parties is considered to be low as the Company is part of the Iberdrola Group's centralised treasury function and no related party has a credit rating lower than BBB+ (in line with S&P Global 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). The Company's liquidity position and short-term financing activities are integrated and aligned with both ScottishPower's and Iberdrola's. ScottishPower operates and manages a centralised cash management model within the UK, with liquidity being managed at a ScottishPower level. Both liquidity and market risk 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 ScottishPower credit facilities already in place.

The Company also utilises derivative financial instruments. Refer to Note 6 for further details.

PRINCIPAL RISKS AND UNCERTAINTIES

The delivery of its strategy requires the Company to conduct 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, and so the Company, 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 risks and uncertainties of the Company, that may impact current and future operational and financial performance, and the management of these risks are described below:

REGULATORY AND POLITICAL RISK	
RISK	**RESPONSE**
Compliance with regulatory obligations especially in the context of sudden changes of policy, or interventions outside established regulatory frameworks.	Positive and transparent engagement with all appropriate stakeholders to ensure that long-term regulatory stability and political consensus is maintained, and public backing is secured for the necessary investment in the UK energy system. Providing stakeholders with evidence of the risks of ad hoc intervention in markets.
CfD Strike Price is indexed by Consumer Price Index ("CPI") annually. Limited protection from supply chain cost increases.	Engaging with UK Government on their proposal to update the strike price indexation methodology to reflect the producer price index during the construction phase to protect developers against macroeconomic shocks, whilst in parallel employing a procurement strategy that secures significant portions of a project's capital expenditure at or before the time of final investment decision.

GLOBAL FINANCIAL MARKET VOLATILITY RISKS	
RISK	**RESPONSE**
Impacts arising from market and regulatory reactions to geopolitical events. As well as positive or negative changes in the UK economy these could include: • increased volatility of commodities, inflation (and other related indices), and currencies, closely linked to the various policies of different countries, as well as global events; and • movement in the market price of electricity.	Positive and transparent engagement with all appropriate stakeholders to ensure that long-term regulatory stability and political consensus is maintained, and public backing is secured for the necessary investment in the UK energy system. Providing stakeholders with evidence of the risks of ad hoc intervention in markets. In addition to monitoring ongoing developments, the Group has specific procedures in place to manage these key market risks. Further details are as follows: • a treasury risk management policy (comprising foreign currency, liquidity and interest rate risk) is in place to hedge financial risks which are discussed further in Note 6; and • mitigating exposure to the volatility of currencies, commodities, and other inflation indices linked to supply or service agreements is achieved through contracting different financial hedges. Exposure to currencies is always fully covered, but it is not always possible to find a financial instrument to cover exposures to either CPI or commodities.

PRINCIPAL RISKS AND UNCERTAINTIES *continued*

RECRUITMENT AND RETENTION RISK OF STAFF	
RISK	**RESPONSE**
Increased and appropriate resources with the correct capabilities are required to grow the business. Attracting resources is a challenge with the complexity of a competitive market with scarce skilled resource.	Extensive focus on retention and strategic workforce planning to build key capabilities and future skills with targeted learning and development opportunities. Build a multi-channel approach to recruitment with leveraging of Iberdrola Global Talent Strategy, focus on armed forces transition and identify available resources from industries experiencing downturn. Increased size and skill set of the recruitment team and onboarded offshore agencies for niche hard-to-fill roles within the Company.

HEALTH AND SAFETY	
RISK	**RESPONSE**
A major health and safety incident in the course of operations could impact staff, contractors, communities or the environment.	The Company has certified management systems in place to deliver activities as safely as possible. In addition, a ScottishPower Health and Safety function exists and provides specialist services and support for the businesses in relation to health and safety. A comprehensive framework of health and safety policy and procedures, alongside audit programmes, is established which aims to ensure not only continuing legal compliance but also to drive towards best practice in all levels of health and safety operations.

CLIMATE CHANGE	
RISK	**RESPONSE**
The risk that the Company's investments or operations have a significant impact on the environment and on national and international targets to tackle climate change, or that climate change has a significant impact on the Company's assets.	The Company, as part of ScottishPower, is committed to reducing its environmental footprint and responding to the risks and opportunities of climate change by: • reducing emissions to air, land and water and preventing environmental harm; • identifying and managing climate risks and opportunities, implementing adaptation measures where required; • minimising energy consumption and use of natural and human-made resources; • sourcing material resources responsibly, cutting waste and encouraging reuse and recycling; and • protecting natural habitats and restoring biodiversity.

PRINCIPAL RISKS AND UNCERTAINTIES *continued*

CYBER SECURITY	
RISK	**RESPONSE**
The Company operates within an environment where there is the presence of sophisticated and opportunistic cyber security threat actors motivated to identify and take advantage of flaws and weaknesses in the Company's cyber security defences. The Company, as part of ScottishPower, in alignment with UK Regulation, takes the protection of its Data and the provision of its essential services very seriously. The Company continues to invest significantly in its people, processes, and technologies to enhance its capabilities to prevent, detect and respond to security threats. The main risks are: • Operational technology used to manage the Renewable production, management and distribution of energy, or physical safety systems (fire protection, CCTV, alarm reception centres). • IT that enables the Company to operate critical services. • The confidentiality, integrity, and availability of the Company's key information assets. • Risk of the Company's network, systems and/or data being compromised due to Supplier security controls being insufficient, resulting in data loss, critical service interruption, regulatory sanctions, and reputational damage. • Other cyber security risks impacting the Company's reputation.	The Company, as part of ScottishPower, continues to focus on its enterprise security risks through enhanced internal governance, complemented by the adoption of a 'three defence lines model' with clear roles and responsibilities established across the Group. This has involved the appointment of a ScottishPower Chief Information Security Officer as well as the appointment of a Business Information Security Officer in Renewable production. These risks are managed in accordance with the basic principles defined in internal cyber security rules promoting the safe handling of data, use of IT and communications systems, use of operational technology systems and assets, and other cyber assets, reinforcing detection, prevention, defence, and response capabilities against possible attacks. Risks are also managed through identification of critical suppliers and cybersecurity maturity reviews in third parties. The Company has also built in cyber security checks and monitoring as part of its tendering and supply chain relationships. The Iberdrola Group currently has specific insurance against cyber risks, under the terms allowed by the insurance market, which is revised and updated periodically in view of the rapid evolution and wide variety of cyber risks.

OPERATIONAL RISKS	
RISK	**RESPONSE**
Reduced security of supply due to potential asset failures alongside decreased generation capacity.	Proactive technical assessments and monitoring of key risk areas associated with wind turbine performance, diversification of the service and maintenance model where reliance is placed on framework agreement for key activities, optimising service and maintenance activities to ensure each activity is appropriate based on operational knowledge. In addition, co-ordination with the ScottishPower Procurement team in negotiating terms and conditions with independent operations and maintenance service providers to ensure plant performance is optimised.

PRINCIPAL RISKS AND UNCERTAINTIES *continued*

PROJECT DELIVERY RISK	
RISK	**RESPONSE**
Failure to deliver large and complex projects on time and within budget.	The Company has a strong track record in delivering large-scale engineering projects with significant experience from developing numerous onshore wind farms. Project delivery is supported by the use of established and experienced suppliers and advisors, along with robust financial management including appropriate foreign exchange hedging and funding strategy.

SUPPLY CHAIN	
RISK	**RESPONSE**
Interruption due to geopolitical circumstances and higher costs as a result of movements in commodity prices, increased risk of supplier failure due to the deterioration of industrialised economies and excess demand over supply.	Identifying potential shortages, delays and gaps in the supply of products, equipment and labour. The supply chain is advised by the ScottishPower Procurement team in conjunction with advice from the ScottishPower Compliance, Legal and Risk departments. The upward pressure on costs due to the macroeconomic environment is managed, and strategies, such as hedging and expanding the Company's supplier base, are developed and implemented. The risk is spread through supply chain engagement, especially with new suppliers in new business areas and technologies. Where necessary, levels of key areas of inventory will be increased as well as ongoing monitoring of underlying commodity costs and adherence to hedging policy.

ENGAGING WITH STAKEHOLDERS

The importance of engaging with stakeholders

As part of the ScottishPower Group, the Company is developing a responsible and sustainable energy model which focuses on the wellbeing of people, the protection of the environment, and the economic and social progress in the communities in which it operates. The Company strongly believes that effective and meaningful engagement with stakeholders, especially employees, is key to promoting the Company's 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 (for further insight, refer to the Section 172 statement on pages 11 and 12). 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 Company has five key stakeholder categories: people; customers; government and regulators; suppliers and contractors; and community and environment. Behind these stakeholders are many people, and institutions, organisations and groups. All of them, with their decisions and opinions, influence the Company, and in turn, are also affected by the Company's activities. In addition, these stakeholders interact with each other, creating a universe of relationships that the Company needs to manage in order to achieve a better understanding of its operating environment and to deliver a more sustainable performance across its activities.

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 ("GSS") 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.

ENGAGING WITH STAKEHOLDERS *continued*

PEOPLE

The Company employs 934 employees, working across a range of roles. These employees make a real difference in determining how successfully the Company operates. The creativity, innovation and individuality of the Company's employees enables the Company to build on its future capability to operate effectively in a competitive market and continue to have aspirations which are challenging and rewarding. The Company respects and recognises the importance of individuality as part of its ongoing commitment to promoting a culture where individuality is celebrated. The Company also understands that being a diverse business goes beyond having legally compliant policies and practices; it includes a focus on creating an innovative, integrated organisation where people feel valued and inspiring them to perform at their best.

As part of ScottishPower, the Company's engagement with its employees is driven by the decisions, policies and procedures in place at a ScottishPower level. The directors of the Company ensure that in applying these ScottishPower decisions, policies and procedures they are meeting their duties to the Company. Details of the following areas in relation to employee engagement which apply fully to the Company are provided in the most recent Annual Report and Accounts of SPL:

- training;
- employee feedback and consultation;
- inclusion and diversity;
- rewards and benefits;
- health and safety; and
- employee health and wellbeing.

Modern Slavery Statement

The term 'modern slavery' covers both slavery and human trafficking. ScottishPower, and therefore 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 on the ScottishPower website at: www.scottishpower.com.

CUSTOMERS

The Company's key customer is ScottishPower Energy Retail Limited ("SPERL"), a fellow Iberdrola Group company, to whom it provides energy and related services. The success of the Company depends on continuous engagement to understand and provide for the needs of SPERL and other customers.

GOVERNMENT AND REGULATORS

The Company, as part of Renewable production, engages with governments and regulators directly and through trade associations, responding to issues of concern and providing expertise to support policy development. Throughout this engagement, the Company aims to contribute to the achievement of the UK and Scottish Governments' net zero decarbonisation targets.

The need to accelerate the planning and consenting process for major new energy infrastructure projects is a key feature of the Company's continuing engagement with the UK and devolved governments. There have been significant developments in this regard, including a draft Infrastructure Planning (onshore Wind and Solar Generation) Order 2025 that moves onshore wind projects over 100 MW in England back into the Nationally Significant Infrastructure Projects regime. In March 2025, the UK Government introduced provisions as part of the Planning and Infrastructure Bill to amend the overarching Electricity Act 1989 that would, if enacted, give powers to the Scottish Government over consents for electricity infrastructure in Scotland.

ENGAGING WITH STAKEHOLDERS *continued*

SUPPLIERS AND CONTRACTORS

As part of ScottishPower, the Company's engagement with its suppliers and contractors is driven by the decisions, policies and procedures in place at a ScottishPower level. The directors of the Company ensure that in applying these ScottishPower decisions, policies and procedures they are meeting their duties to the Company.

Suppliers have a key role to play in the delivery of the Company's projects and services that it is undertaking to provide a low-carbon future for the UK. The Company aims to develop and maintain strong relationships across its supply base with a focus on health and safety, quality, cost and sustainability. The Company expects its suppliers to operate to a high standard including working in an ethical and sustainable manner, and it has a range of policies that all suppliers must adhere to, including the ScottishPower Code of Conduct for Suppliers. The Company has built in cyber security checks and monitoring as part of its tendering and supply chain relationships.

Engagement with the supply chain is always a critical activity for the Company but has become even more important as the Company adapts to the current geopolitical and macroeconomic challenges. In order to address any concerns on capacity and availability of the supply chain that could impact delivery the Company has been taking a longer term approach on contracting.

COMMUNITY AND ENVIRONMENT

Investing in the community

The Company highly values its relationship with local communities and sees them as essential stakeholders in its operations. Supporting the communities it serves by providing the resources and expertise of its people has been a longstanding commitment over the years. The Company regularly contributes to community-based organisations and proactively engages in activities that address a wide range of issues within these communities that go beyond its core business activity. As a responsible developer, the Company continues to focus on community engagement from the outset of new projects in development right through to the construction and operational phases, ensuring benefits of projects are shared at a local level.

As part of the Company's onshore wind farm operations, it actively supports 36 community benefit funds, empowering communities across the UK to decide how best to use these funds to meet their local needs. In 2024, the Company contributed £8 million to communities neighbouring its wind farms, bringing the total provided to date to almost £68 million.

Local community engagement

The Company places great emphasis on ensuring that those affected by its work are well-informed in advance of activities. The Company has developed enduring relationships with community groups, elected representatives, interest groups, and individuals, creating various communication channels for community input. The Company's community consultation processes include representation at community meetings, in-person and virtual public information days, information published on the ScottishPower website, and engagement through social media. The Company's facilities also host visits from community groups, maintain visitor centres, and run local liaison committees that facilitate discussions between the Company and community representatives.

The Company continues to provide community benefit funds to those living near to its operational onshore wind farms and to date, the Company has now shared over £67 million of funding with those communities. The Company believes that local people are best placed to make decisions about the initiatives that will be of greatest value to them, and therefore continues to empower them to make decisions on how to allocate their funds. These can be used for the purposes of community facilities, skills and employment, community or local events, sports and recreation, environmental improvements, youth and education and heritage, as well as on initiatives that will help them reduce their overall carbon footprint and become net zero as a community.

Given that many of the Company's assets are located on land it does not own, the Company has implemented policies to maintain the safety and integrity of its facilities while respecting the needs of landowners, the local community, and the public.

ENGAGING WITH STAKEHOLDERS *continued*

The Company continues to invest over £1 million a year to adaptively manage and monitor around 10,000 hectare of land for nature conservation. In 2024, it completed 15 years of peatland restoration work at Whitelee Windfarm restoring over 1,000 hectares of peatland and developing two ground-breaking methods that are now setting industry standards. The Company continues to maintain a robust Environmental Management System (ISO 14001 accredited) to support the business in managing environmental risks throughout the project lifecycle.

Whitelee Visitor Centre

Whitelee is the UK’s largest onshore wind farm hosting 215 turbines with a total capacity of 539 MW; enough to power 350,000 homes. The on-site visitor centre celebrated its 15th anniversary in September 2024 as well as having welcomed over 1 million visitors to date. Managed by Glasgow Science Centre on behalf of the Company, Whitelee Windfarm Visitor Centre offers a free hands-on exhibition, café, cycling facilities, car parking and electric vehicle (“EV”) charging points, and continues to provide an extensive education programme and an opportunity for visitors to see first-hand how local communities, the natural environment and renewable energy can be successfully co-located.

Whitelee Windfarm received the Green Flag Award for a fourth consecutive year in 2024 and is the only wind farm to receive this accolade, which recognises spaces that meet the needs of the communities they serve. This award was received for the work of the onshore renewable ecology team and the Whitelee Countryside Rangers (employed by East Renfrewshire Council and who continue to be paid for via the wind farm community benefit fund), to provide a positive environmental legacy by enhancing ecological habitats for native bird species and restoring natural peatland.

The Company continues to host a variety of community events at Whitelee Windfarm, as well as welcoming both UK and international delegates including UK and Scottish Government bodies and other key stakeholders.

Environment

The Company, as part of Renewable production, is committed to reducing its environmental footprint. Renewable production has further developed it's understanding of existing and emerging opportunities for blade recycling via research, consultation and participation in two collaborative industry bodies (Coalition for Wind Industry Circularity and SusWIND (Accelerating sustainable composite materials and technologies for Wind Turbine Blades)). Renewable production has also chaired the G12/S5 Onshore Wind Sector Working Group which is a key part of the development of the Scottish Onshore Wind Sector Deal, and now actively participate on related task and finish groups focussed on environment and consents, community benefit and local content. The deal includes a commitment for collaborative sector action to deliver a blade treatment facility in Scotland by 2030.

INNOVATION

It has never been more important that the Company continues to innovate and drive forward towards a decarbonised smart energy future. By championing innovative technologies, bringing down the costs of decarbonisation and ensuring that no communities are left behind on the road to net zero, the Company continues to lead by example in making sure clean, affordable energy is available to all.

The Company operates an open innovation model, recognising the value for its business of harnessing external ideas and expertise. Through this strategic approach, the Company engages and collaborates with partners, competitors and other organisations, generating ideas and inspiration to further the country’s decarbonised future.

The Company prioritises activities with a high impact on cost reduction, while keeping to sustainability targets and promoting health and safety practices overall. This activity can be categorised into three main areas: research and development collaborative programmes, technology development, and supply chain engagement and support.

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 ScottishPower Renewables (UK) Limited 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 of the board of the Company ("the Board") 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 they consider, 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 Renewable production (headed by SPREL), of which the Company is a member, requires the Company 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 Company 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.

The directors believe strongly that effective and meaningful engagement with stakeholders and employees is key to promoting the success of the Company. Details of the Company's key stakeholders of the Company, and how it engages with them are shown below:

- **Customers:** details of how the Company engages with its customers are explained in the 'Customers' section of the Strategic Report, on page 8. During 2024, the Board approved a new governance and delegated authority framework in relation to the trading and hedging activities of the Company.
- **People:** details of how the Company engages with its employees are set out in the 'People' section of the Strategic Report, on page 8. During 2024, the Board approved the adoption by the Company of ScottishPower's 2023 Modern Slavery Statement.
- **Government and regulators:** details of how the Company, engages with governments and regulators are set out in the 'Government and regulators' section of the Strategic Report, on page 8. During 2024, the Board acknowledged that the Company, as part of Renewable production, engages with governments and regulators directly and through trade associations, responding to issues of concern and providing expertise to support policy development where appropriate.
- **Suppliers and contractors:** details of how the Company, engages with its suppliers are set out in the 'Suppliers and contractors' section of the Strategic Report, on page 9. During 2024, the Board acknowledged that the Company has looked to support its supply chain during challenging times by working collaboratively on forecasting its requirements and establishing customs brokerage services.
- **Communities and the environment:** details of how the Company, engages with communities and considers the environment are set out in the 'Community and environment' section of the Strategic Report, on pages 9 and 10. During 2024, the Board acknowledged that the Company continues to provide community benefit funds to those living near to its operational wind farms.

In addition, details of how the Company interacts with its shareholders is described in the introduction to the 'Engaging with stakeholders' section of the Strategic Report on page 7.

The directors, both individually and together as a board, consider that the decisions taken during the year ended 31 December 2024 in discharging the function of the Board were in conformance with their duty under Section 172 of the Companies Act 2006.

SECTION 172 STATEMENT *continued*

The Board is assisted in considering key stakeholders 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

Marc Rossi
Director
26 June 2025

DIRECTORS' REPORT

The directors present their report and audited Accounts for the year ended 31 December 2024.

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 12:

- information on financial risk management and policies;
- information in relation to innovation activities;
- information regarding future developments of the business; and
- information on employee regulations and policies.

RESULTS AND DIVIDEND

The net profit for the year amounted to £557.6 million (2023 £948.8 million). A dividend of £467.0 million was paid during the year (2023 £843.6 million).

CORPORATE GOVERNANCE

Statement regarding the corporate governance arrangements of Renewable production

As required by the Companies (Miscellaneous) Reporting Regulations 2018, the directors of the Company have set out as follows a statement of the corporate governance arrangements of the Company.

The ultimate parent of the Company is Iberdrola, S.A., whose shares are listed on all four stock markets in Spain and traded through the electronic continuous market of the Spanish Stock Exchange. The Company, which is part of the Renewable production division (headed by SPREL), does not apply a corporate governance code on the basis that it, as part of the Renewable production division, adopts and adheres to the rules and principles of the group headed by SPREL ("the SPREL Group") as they have been set by the board of directors of SPREL ("the SPREL Board"), in accordance with the terms of reference of the SPREL Board and the Policy for the Definition and Coordination of the Iberdrola Group and Foundations of Corporate Organisation ("the Group Governance Framework"), all of which are based on widely recognised good governance recommendations ("the SPREL Group corporate governance system"). Those rules and principles of the SPREL Group corporate governance system that applied to the Company as part of the Renewable production division during 2024 are set out in this statement.

The SPREL Board's terms of reference are published on www.scottishpowerrenewables.com under 'Corporate Governance' and further define the responsibilities of the SPREL Board, such as they may affect the definition of the corporate governance arrangements described in this statement which apply to the Company.

Corporate governance system

The Company is governed by the Board, which consisted of two directors at 31 December 2024 who bring a broad range of skills and experience to the Company. The Board is regulated in accordance with the Company's Articles of Association which are registered at Companies House.

In discharging its responsibilities and in the exercise of its decision-making powers, and in accordance with the Company's Articles of Association, the Board has, adopted the SPREL Group corporate governance system which applies to the Company as part of the SPREL Group. The SPREL GSS as approved by the SPREL Board consequently applies to the Company as part of the SPREL Group.

The SPREL GSS includes the internal corporate rules (including the Purpose and Values of the Iberdrola Group, the Ethical and Basic Principles of Governance and Sustainability of the Iberdrola Group, corporate policies and other internal codes and procedures) that make up the corporate governance system of ScottishPower and, ultimately, of the Iberdrola group. The SPREL Board, having reviewed the same, has expressly adopted these internal corporate rules as part of the SPREL GSS, as well as the specific rules and regulations required to implement or supplement it.

The SPREL GSS is published online at www.scottishpowerrenewables.com under 'Corporate Governance'.

Board composition

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

Charles Jordan
Marc Rossi (appointed 6 November 2024)
Heather Chalmers White (resigned 6 November 2024)

Gillian Noble was appointed as a director on 22 April 2025. There have been no further changes to the composition of the Board since year end.

CORPORATE GOVERNANCE ***continued***

There is no separate appointments committee within the SPREL Group. Instead, appointment matters relevant to the SPREL Group and the Company are dealt with in accordance with an internal group procedure for approving proposed appointments or removals of directors at companies in which the Iberdrola Group holds an interest, are reviewed by the Iberdrola, S.A. Appointments Committee ("IAC"). The IAC has a function to report on the process of selection of directors and senior managers of the Iberdrola group companies.

Purpose and values

The structure of the Company is set out in the Strategic Report. During 2024, the Board has taken into account the purpose and values of the Iberdrola Group which are published on www.scottishpowerrenewables.com and which form part of the SPREL GSS. This document defines and promotes the purpose, values and culture of the Company and the SPREL Group.

Director responsibilities

The directors are fully aware on their duties under the Companies Act 2006, including as set out in Section 172 of the same. The primary responsibility of the Board is to supervise and make decisions as required in relation to the activities of the Company's business and the SPREL Group, all as part of the Renewable production division, in accordance at all times with the SPREL GSS and the provisions of all applicable legislation and regulations.

The SPREL Board has the responsibility of carrying out the day-to-day management and effective administration, and for the ordinary control, of the Renewable production division overall.

Further information on the administrative, management and supervisory bodies of the boards of the Company's parents, as they are pertinent to Renewable production division and the Company, are described in the section below.

Opportunity and risk

The delivery of the SPREL group's strategy, as described in the Strategic Report, requires the SPREL group to conduct 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 risk inherent in the business.

ScottishPower operates systems of internal controls and a risk management framework, which is subject to continuous review and development. The Scottish Power Limited Audit and Compliance Committee ("SP ACC") reviews the Company's internal control systems and risk management system. Further information regarding the SP ACC's role is detailed on the following page within the 'Administrative, management and supervisory bodies' section.

To maintain this strategic direction, the Renewable production division develops and implements risk management policies and procedures and promotes a robust control environment at all levels of the organisation. The risk policies and principles applicable to the Company form part of the SPREL GSS.

During 2024, the governance structure was supported by the risk policies of the SPREL group. The risk management function, as part of the Internal Audit and Risk department reports to the SP ACC, and thus supports ScottishPower, including the Company in the execution of due diligence and risk management across ScottishPower, as described in the 'Principal risks and uncertainties' section of the Strategic Report. In pursuing these objectives, these systems only provide reasonable, and not absolute, assurance against material misstatement or loss.

Remuneration

The directors of the Company are subject to an annual evaluation of their performance in respect of their executive responsibilities as part of the performance management framework which is in place throughout the SPREL group.

There is no separate Remuneration Committee within the Renewables production division. Instead, remuneration matters relevant to the Renewables production division and the Company are dealt with in accordance with the aforementioned performance management framework.

Stakeholders

The Board fully recognises that effective and meaningful engagement with stakeholders is key to promoting the success of the Company. The details of key stakeholders, why they are important to the Company, and how it engages with its stakeholders are an integral part of its strategic goals and are described in the Strategic Report.

CORPORATE GOVERNANCE *continued*

Administrative, management and supervisory bodies

Scottish Power Limited Board ("SPL Board")

The primary responsibilities of the SPL Board, which has its own management team, include disclosing, implementing, and ensuring compliance with the policies, strategies and general guidelines of ScottishPower overall, in accordance at all times with the provisions of all applicable legislation and regulations.

The SPL Board comprised the Chairman, José Ignacio Sánchez Galán, who is also the Executive Chairman of Iberdrola, and eight other directors as at 31 December 2024.

The SPL Board met six times during the year under review. The members of the SPL Board and their attendance record were as follows:

José Ignacio Sánchez Galán	Chairman, internal, non-executive director	Attended six meetings
Professor Sir James McDonald	Vice-chairman, external, non-executive director	Attended six meetings
Keith Anderson	Chief Executive Officer ("CEO")	Attended six meetings
Wendy Barnes	External, non-executive director	Attended six meetings
Iñigo Fernández de Mesa Vargas	External, non-executive director	Attended six meetings
Professor Dame Anne Glover	External, non-executive director	Attended six meetings
Daniel Alcain López	Internal, non-executive director	Attended six meetings
Gerardo Codes Calatrava	Internal, non-executive director	Attended six meetings
José Sainz Armada	Internal, non-executive director	Attended six meetings

Professor Dame Anne Glover resigned as a director on 26 March 2025 and Lord Hutton of Furness was appointed as an external, non-executive director on 6 May 2025.

The terms of reference of the SPL Board are published at www.scottishpower.com ("the Corporate website") under 'Corporate Governance' /'Governance and Sustainability System'/'Corporate Governance'.

SP ACC

The SP ACC, a permanent internal body established by the SPL Board, has an informative and consultative role, without executive functions, with powers of information, assessment and presentation of proposals to the SPL Board within the SP ACC's own terms of reference.

The SP ACC's responsibilities include amongst other things:

- monitoring the financial and non-financial reporting processes for ScottishPower;
- overseeing the independence, activities and efficiency of the Internal Audit and Risk department;
- overseeing and reviewing the activities of the ScottishPower Compliance Unit;
- monitoring the statutory audit of the Annual Report and Accounts of ScottishPower; and
- monitoring the independence of the external auditor and recommending to the SPL Board, the (re-)appointment and the associated terms of engagement of the same.

The SP ACC's terms of reference are published on the SPL Corporate website under 'Corporate Governance'/'Governance and Sustainability System'/'Corporate Governance' and further define the responsibilities of the SP ACC.

Membership and attendance

The SP ACC met five times during the year under review. The members of the SP ACC and their attendance record are shown below:

Iñigo Fernández de Mesa Vargas	Chairman, external, non-executive director	Attended five meetings
Wendy Barnes	External, non-executive director	Attended five meetings
Daniel Alcain López	Internal, non-executive director	Attended five meetings

Lord Hutton of Furness was appointed as a member of the SP ACC on 6 May 2025.

CORPORATE GOVERNANCE *continued*

In addition to the attendance set out on page 15, the ScottishPower Chief Financial Officer (previously, the Control and Administration Director), Director of Internal Audit and Risk (previously known as the Director of Internal Audit), together with the Risk Director, and the Compliance Director normally attend (wholly or in part), by invitation, all meetings of the SP ACC. Other members of senior management are also invited to attend as appropriate. During the year under review, the external auditor attended (in part) four meetings of the SP ACC.

Matters considered by the SP ACC during 2024

The issues that the SP ACC specifically addressed are detailed in its report which is published on the SPL Corporate website under 'Corporate Governance'/'Board of Directors'.

ScottishPower Management Committee ("SPMC")

The SPMC is a permanent internal body, which was established by the SPL Board to provide an informative and coordinating role regarding the activities of the SPL Group to which Renewable production, and thus the Company, belongs. In accordance with the corporate governance arrangements of the Group and the separation of regulated activities, the SPMC does not exercise any executive function as a decision-making body. The SPMC normally meets weekly and receives regular information on the activities of the Group, including those of the Company, in order to support the corporate functions and lines of business in understanding the local, legal, regulatory and market specifics in the UK and in order to assist the ScottishPower CEO in the performance of his duties. The CEO defines the composition of the SPMC, having regard to the duties assigned thereto, and other members of management are invited to attend as appropriate.

ScottishPower Executive Committee ("SP ExCom")

The SP ExCom is a permanent internal body, which was established in 2025, after the period under review, by the SPL Board with executive powers defined under its own terms of reference (published on the Corporate website). The SP ExCom is comprised of the Chairman and the CEO of the SPL Board, together with two non-executive directors of the same (of which one is an external director).

SPREL Board

The SPREL Board is responsible for the effective management of Renewable production, in accordance with the strategy of the ScottishPower. The SPREL Board meets regularly and reviews strategy, operational performance and risk issues on behalf of Renewable production.

The SPREL Board comprised the Chairman, Xabier Viteri Solaun, the CEO, Charles Jordan and four other directors as at 31 December 2024. The directors and their attendance at SPREL board meetings held during the period under review (five meetings) are shown below:

Xabier Viteri Solaun	Chairman, internal, non-executive director	Attended five meetings
Charles Jordan	CEO	Attended five meetings
Dr. Bridget McConnell	External, non-executive director	Attended five meetings
Nicola Connelly	Internal, non-executive director	Attended two meetings (resigned 18 June 2024)
Charles Langan	Internal, non-executive director	Attended five meetings
Álvaro Martínez Palacio	Internal, non-executive director	Attended three meetings
Marion S Venman	Internal, non-executive director	Attended five meetings

Charles Langan resigned as an internal, non-executive director on 20 March 2025, Álvaro Martínez Palacio and Marion S Venman resigned as internal, non-executive directors on 28 March 2025. Andrew Philip was appointed as an internal, non-executive director on 2 April 2025 and Xabier Viteri Solaun resigned as Chairman and non-executive director on 28 May 2025.

The terms of reference of the SPREL Board together with the rest of Renewable production's GSS approved by the SPREL Board, are published on www.scottishpowerrenewables.com under 'Corporate Governance' and further define the responsibilities and powers of the SPREL Board as regards the Renewable production business and its stakeholders.

DIRECTORS' INDEMNITY

In terms of the Company's Articles of Association, a qualifying indemnity provision is in force for the benefit of all the directors of the Company and has been in force during the financial year. In addition, the directors have been granted a qualifying third party indemnity provision, which continues in force.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS
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 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 their 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 included on the ScottishPower website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the directors, whose names and functions are listed refer to 'Board composition' section of Directors' Report on page 13, confirms that to the best of their knowledge:

- the Company financial statements have been prepared in accordance with FRS 101 and give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic Report includes a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties that it faces.

Disclosure of information to auditor
Each of the directors in office 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 2025.

ON BEHALF OF THE BOARD

Marc Rossi

Marc Rossi
Director
26 June 2025

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCOTTISHPOWER RENEWABLES (UK) LIMITED

Opinion
We have audited the financial statements of ScottishPower Renewables (UK) Limited ("the company") for the year ended 31 December 2024 which comprise the Statement of financial position, Income statement, Statement of comprehensive income, Statement of changes in equity, and related notes, including the principal 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 2024 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 as applied to other entities of public interest. 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 at least a year 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.

Since the entity may need financial support from other group entities, we assessed the risk that this support would not be available. We inspected letters received by the directors indicating the group's intention to provide this support, examined financial statements and internally provided projections to assess its ability to provide this support over the period of the audited entity's going concern assessment, and assessed the business reasons why the group may or may not choose to provide this support.

We considered whether the going concern disclosure in Note 1B2 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks and dependencies.

We assessed the completeness of the going concern disclosure.

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.
- We found the going concern disclosure in Note 1B2 to be acceptable.

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:

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

- Enquiring of directors, the internal audit function, the Company's legal function and the compliance function 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.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Consultation with our own forensic professional regarding the identified potential fraud risks. This involved discussion between the forensic professional and the senior members of the engagement team.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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 revenue consists entirely of routine, non-complex transactions which are subject to systematic processing and do not require significant judgments.

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.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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, 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.

Firstly, 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.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: GDPR compliance, health and safety legislation, fraud, corruption, bribery legislation and employment and social security legislation including minimum wage and pension auto enrolment. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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 fraud 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 page 17 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.

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SCOTTISHPOWER RENEWABLES (UK) LIMITED *continued*

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.

Nikki Palfreman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St. Vincent Street
Glasgow
G2 5AS
26 June 2025

SCOTTISHPOWER RENEWABLES (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Notes	2024 £m	2023 £m
NON-CURRENT ASSETS			
Intangible assets		2.7	2.4
Property, plant and equipment	3	1,728.3	1,751.1
Right-of-use assets	4	172.9	171.1
Investments in subsidiaries	5	1,569.3	1,582.1
Investments accounted for using the equity method	5	9.5	9.5
Derivative financial instruments	6	0.1	-
Trade and other receivables	7	341.0	152.2
		3,823.8	3,668.4
CURRENT ASSETS			
Trade and other receivables	7	665.5	654.4
Cash		2.4	19.6
		667.9	674.0
TOTAL ASSETS		**4,491.7**	4,342.4
EQUITY			
Share capital		2,033.3	2,033.3
Hedge reserve		(12.5)	(14.0)
Retained earnings		697.8	607.2
TOTAL EQUITY		**2,718.6**	2,626.5
NON-CURRENT LIABILITIES			
Provisions	8	118.0	116.2
Loans and other borrowings	9	700.0	700.0
Derivative financial instruments	6	233.1	232.8
Other financial liabilities		0.1	0.4
Lease liabilities	4	187.5	185.0
Trade and other payables		0.4	0.9
Deferred tax liabilities	10	251.6	246.3
		1,490.7	1,481.6
CURRENT LIABILITIES			
Provisions	8	5.3	5.9
Loans and other borrowings	9	3.7	3.7
Derivative financial instruments	6	27.5	29.3
Other financial liabilities		2.0	0.2
Lease liabilities	4	12.3	8.9
Trade and other payables	11	90.7	83.1
Current tax liabilities		140.9	103.2
		282.4	234.3
TOTAL LIABILITIES		**1,773.1**	1,715.9
TOTAL EQUITY AND LIABILITIES		**4,491.7**	4,342.4

Approved by the Board and signed on its behalf on 26 June 2025.

Marc Rossi

Marc Rossi
Director

The accompanying Notes 1 to 22 are an integral part of the Statement of financial position at 31 December 2024.

SCOTTISHPOWER RENEWABLES (UK) LIMITED
INCOME STATEMENT
for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue		881.9	643.1
Procurements		(29.5)	(29.0)
GROSS MARGIN		**852.4**	614.1
Staff costs	12	(80.0)	(68.8)
External services		(181.9)	(159.4)
Other operating results		109.3	81.8
Net operating costs		**(152.6)**	(146.4)
Taxes other than income tax	13	**(130.7)**	(66.5)
GROSS OPERATING PROFIT		**569.1**	401.2
Net expected credit losses on trade and other receivables		(0.6)	(0.1)
Depreciation and amortisation charge, allowances and provisions	14	(128.4)	(119.3)
OPERATING PROFIT		**440.1**	281.8
Dividends received		281.9	716.7
Finance income	15	51.6	78.0
Finance costs	16	(70.7)	(38.1)
PROFIT BEFORE TAX		**702.9**	1,038.4
Income tax	17	(145.3)	(89.6)
NET PROFIT FOR THE YEAR		**557.6**	948.8

Net profit for the current year and the prior year is wholly attributable to the equity holder of ScottishPower Renewables (UK) Limited.

All results relate to continuing operations.

The accompanying Notes 1 to 22 are an integral part of the Income statement for the year ended 31 December 2024.

SCOTTISHPOWER RENEWABLES (UK) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

	2024	2023
	£m	£m
NET PROFIT FOR THE YEAR	**557.6**	948.8
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to the Income statement:		
Changes in the value of cash flow hedges	2.0	42.3
Tax relating to cash flow hedges	(0.5)	(10.2)
	1.5	32.1
Items that will not be subsequently reclassified to the Income statement:		
Changes in the value of cash flow hedges	-	(0.2)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**1.5**	**31.9**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**559.1**	980.7

Total comprehensive income for both years is wholly attributable to the equity holder of ScottishPower Renewables (UK) Limited.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

	Share capital (Note (a))	Hedge reserve (Note (b))	Retained earnings (Note (c))	Total
	£m	£m	£m	£m
At 1 January 2023	2,033.3	(45.9)	502.0	2,489.4
Profit for the year attributable to the equity holders of the Company	-	-	948.8	948.8
Changes in the value of cash flow hedges	-	42.1	-	42.1
Tax relating to cash flow hedges	-	(10.2)	-	(10.2)
Dividends	-	-	(843.6)	(843.6)
At 1 January 2024	2,033.3	(14.0)	607.2	2,626.5
Profit for the year attributable to the equity holders of the Company	-	-	557.6	557.6
Changes in the value of cash flow hedges	-	2.0	-	2.0
Tax relating to cash flow hedges	-	(0.5)	-	(0.5)
Dividends	-	-	(467.0)	(467.0)
At 31 December 2024	**2,033.3**	**(12.5)**	**697.8**	**2,718.6**

(a) At 31 December 2024, the Company had 2,033,352,567 allotted, called up and fully paid ordinary shares of £1 each (2023 2,033,352,567). The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

(b) 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.

(c) Retained earnings comprise the cumulative balance of profits and losses recognised in the financial statements as adjusted for transactions with shareholders, principally dividends.

The accompanying Notes 1 to 22 are an integral part of the Statement of comprehensive income and the Statement of changes in equity for the year ended 31 December 2024.

1 BASIS OF PREPARATION

A COMPANY INFORMATION

ScottishPower Renewables (UK) Limited, registered company number NI028425, is a private company limited by shares, incorporated in Northern Ireland and its registered office is The Soloist, 1 Lanyon Place, Belfast, BT1 3LP, Northern Ireland.

B BASIS OF PREPARATION

B1 BASIS OF PREPARATION OF THE ACCOUNTS

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 Renewables (UK) Limited as an individual company and do not contain consolidated financial information as the parent of subsidiary companies. 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 are included by full consolidation in the consolidated accounts of its intermediate parent company, ScottishPower UK plc (“SPUK”).

The Accounts have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (“FRS 101”). 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 advantage of the FRS 101 disclosure exemptions has been taken:

- the preparation of a Statement of cash flows and the related notes;
- comparative period reconciliations for property, plant and equipment and right of use assets;
- certain disclosures regarding revenue;
- 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, International Accounting Standards (“IAS”) pronouncements; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of SPUK include the equivalent disclosures, the Company has also taken the following available exemptions under FRS 101:

- certain disclosures required by IFRS 13 ‘Fair Value Measurement’;
- disclosures required by IAS 12 ‘Income Taxes’ relating to Pillar Two model rules in respect of deferred tax assets and liabilities;
- certain disclosures required by IAS 7 ‘Statement of Cash Flows’ in respect of supplier financing arrangements; and
- disclosures required by IFRS 7 ‘Financial Instruments: Disclosures’.

Where the company is party to a joint operation the financial statements include the Company's share of the joint operation’s assets, liabilities, profit or loss or other comprehensive income on a line-by-line basis.

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 the development, construction and operation of onshore wind-powered electricity generation and emerging technologies within the group headed by SPUK, the Company’s intermediate parent company. The Company’s cash flows are therefore dependent on the continuation, volume, and pricing of those 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.

Cash and liquidity are managed centrally by the ScottishPower Treasury function, with working capital requirements of the Company funded by SPL, the parent company of SPUK, who also operate a cash pooling arrangement, which the Company is party to. Centralised funding and cash management aligns with the Iberdrola Group model. There has been no indication that these arrangements may change.

The directors have performed a going concern assessment which indicates that the Company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements, the going concern assessment period. Nevertheless, as the group operates a centralised treasury function and in order to

1 BASIS OF PREPARATION *continued*

take account of reasonably possible downsides, SPUK has indicated its intention to continue to make available such funds as may be needed by the Company, during the going concern assessment period. 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 twelve months from the date of approval of the financial statements and, therefore, have prepared the financial statements on a going concern basis

C IMPACT OF NEW 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 2024.

For the year ended 31 December 2024, the following amendments to standards have been issued and are applicable for the Company for the first time. Where relevant, their application has not had a material impact on the Company's accounting policies, financial position or performance:

- Amendments to IFRS 16 ‘Leases: Lease Liability in a Sale and Leaseback’
- Amendments to IAS 1 ‘Presentation of Financial Statements: Classification of Liabilities as Current or Non-current’ and ‘Deferral of Effective Date’ and ‘Non-current Liabilities with Covenants'
- Amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures’: ‘Supplier Finance Arrangements’

2 JUDGEMENTS, ESTIMATION UNCERTAINTIES AND PRINCIPAL ACCOUNTING POLICIES

Management may be required to make a number of judgements and assumptions regarding the future and about other sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the reported amounts of assets and liabilities within the next financial year. The significant estimation uncertainty and other judgements made by management are set out below .

SIGNIFICANT ESTIMATION UNCERTAINTY

Provision for decommissioning costs

Decommissioning costs are subject to a degree of uncertainty as they are estimated at the reporting date and actual decommissioning will take place in the future. There is also uncertainty over when the actual decommissioning costs will be incurred. The sources of estimation uncertainty relate to the estimated value of the costs at the reporting date and the inflation and discount rates applied. This estimation uncertainty creates a risk of a material adjustment to the provision in the next financial year. Refer to Note 2G for further details.

The value of decommissioning provisions in the Statement of financial position is £123.1 million (2023 £119.3 million). The increase in the year is primarily due to the unwinding of the discount.

The discount rates applied are based on UK treasury bonds with maturities which are similar to the expected decommissioning date. The discount rates utilised in the current year ranged from 4.02% to 5.07%. The inflation rates applied are obtained from the Bank of England's forecasted inflation rates for the UK. The decommissioning costs are expected to be utilised by 2060.

Sensitivity analysis reflecting reasonably probable fluctuations to the main assumptions in the calculation of the decommissioning provision has been performed. Had the estimated value of the costs at the reporting date been 10% higher or lower, this would have resulted in the decommissioning provision being approximately £12.2 million higher and lower respectively. Had the inflation rate applied been 1% higher or lower, this would have resulted in the decommissioning provision being approximately £18.9 million and £15.7 million lower respectively. Had the discount rate applied been 1% higher or lower this would have resulted in the decommissioning provision being approximately £15.2 million lower and £18.6 million higher respectively. Any changes in the carrying value of decommissioning provisions are reflected in the corresponding carrying value of decommissioning assets capitalised within Property, plant and equipment.

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

NON-SIGNIFICANT JUDGEMENTS

Consideration of climate change

The impact of climate change, including risks identified in the Strategic Report on page 5, 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 going concern position of the Company, including the cash flow forecasts prepared for the directors' assessment referred to in Note 1B2.

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.

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in preparing the financial statements are set out below. In the process of determining and applying these accounting policies, judgement, apart from those involving estimations (as noted above), is often required that can significantly affect the amounts recognised in the financial statements. Management has made no such judgements.

A PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost and depreciated on a straight-line basis over the estimated operational lives of the assets once commissioned. Property, plant and equipment includes capitalised employee costs, lease depreciation and other directly attributable costs. Borrowing costs directly attributable to the acquisition, construction or production of major qualifying assets (i.e. assets which are assets that necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Reviews of the estimated remaining lives and residual values of property, plant and equipment are undertaken annually. Residual values are assessed based on prices prevailing at each reporting date.

Land is not depreciated. The main depreciation periods used by the Company are set out below:

Wind power plants	22	-	40
Distribution facilities	22	-	40
Other items of property, plant and equipment	10	-	50

B LEASED ASSETS

A contract is, or contains a lease if, at inception, the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in 'Leases' ("IFRS 16").

An identified asset will be specified explicitly, or implicitly, in the contract, and will be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.

A contract conveys the right to control the use of an identified asset if the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, and the customer has the right to direct the use of the asset. The customer has this right when they have the decision-making rights that are most relevant to changing how and for what purpose the asset is used. Where this is predetermined, the customer has the right to direct the use of the asset if either they have the right to operate the asset or they designed the asset in a way that predetermines how and for what purposes it will be used.

The Company has elected not to separate non-lease components and thus accounts for the lease and non-lease components in a contract as a single lease component.

As a lessee, the Company recognises a right-of-use asset at the lease commencement date, measured initially at cost. This comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and an estimate of costs to dismantle and remove the underlying asset, or to restore the underlying asset, or the site on which it is located, less any lease incentives received.

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

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date over the shorter of the useful life of the underlying asset and the lease term. The right-of-use asset is reduced by any impairment losses and adjusted for certain remeasurements of the lease liability. Right-of-use assets within Non-current assets are presented in the Statement of financial position and the deprecation charge is recorded within Depreciation, amortisation and provisions in the Income statement.

The lease liability recognised at the commencement date is measured initially at the present value of the lease payments that are not paid at that date. Where the rates implicit in the leases cannot be readily determined, the liabilities are discounted using the Company's incremental borrowing rate, being the currency-specific interest rate that would be incurred on a loan, with similar terms, to purchase a similar asset. The incremental borrowing rates will be updated annually and applied to leases commencing in the subsequent year. Therefore, the lease liability is measured at amortised cost using the effective interest rate method. Lease payments included in the measurement of the lease liability comprise fixed payments (including in-substance fixed payments); variable lease payments that depend on an index or a rate initially measured using the index or rate at the commencement date; lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and penalties for early termination of a lease unless the Company is reasonably certain not to do so.

The lease liability is remeasured when there is a change in the future lease payments arising from a change in the index or rate, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. This change in the lease liability will result in a corresponding adjustment to the carrying amount of the right-of-use asset, or in profit or loss if the carrying amount of the right-of-use asset is zero.

Lease liabilities are presented separately in the Statement of financial position; the discount on the liabilities unwinds over the term of the lease and is charged to Finance costs in the Income statement.

The Company has elected not to recognise right-of-use assets and lease liabilities for certain short-term leases that have a lease term of twelve months or less, and leases of intangible assets. The Company recognises any lease payments associated with such leases as an expense on a straight-line basis over the lease term.

C IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND LEASED ASSETS

At each reporting date, the Company reviews the carrying amount of its property, plant and equipment and leased assets (where relevant) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset (the greater of its value-in-use and its fair value less costs to sell) is estimated in order to determine the extent of the impairment loss (if any). In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money, the risks specific to the asset and lease liabilities under IFRS 16.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Any impairment is recognised in the Income statement in the period in which it is identified. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been recognised, net of depreciation or amortisation, if no impairment loss had been recognised.

D RETIREMENT BENEFITS

ScottishPower provides pensions through two defined benefit schemes and one defined contribution retirement benefit scheme in the UK. ScottishPower Renewables (UK) Limited is a participating company in these group arrangements, and the contributions for the defined benefit schemes are based on pension costs across all the participating companies. The Company is unable to identify its share of the underlying assets and liabilities in the defined benefit schemes, as the scheme administrators do not calculate these separately for each of the various companies participating in the schemes and therefore treats these schemes as if they were defined contribution schemes. The amount charged to the income statement in respect of pension costs is the contributions payable in the year.

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

E JOINT ARRANGEMENTS

Joint arrangements are arrangements that are jointly controlled by the Company and at least one other party. Joint control is the contractually agreed sharing of control of an arrangement i.e. when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement where the Company and the other parties to the joint arrangement have rights to the net assets of the arrangement, is a joint venture. Where the parties have rights to the assets of the arrangement and obligations for its liabilities, the arrangement is a joint operation.

Joint arrangements which are structured through a separately identifiable vehicle with legal personality are joint ventures unless there are contractual terms of the arrangements between the parties, or other relevant facts and circumstances, with the effect of giving the parties rights to the assets and obligations for the liabilities of the joint arrangements, in which case the arrangements are joint operations.

The Company is exempt from equity accounting for its joint venture and recognises its interest as an investment which is held at cost in the Statement of financial position. The Company recognises, in relation to its interest in a joint operation, its share of the assets, liabilities, income, and expenses relating to its interests in the joint operation on a line-by-line basis.

F 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.

F1 FINANCIAL ASSETS

F1.1 CLASSIFICATION

Financial assets are classified as measured at amortised cost or fair value through profit and loss (“FVTPL”). 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.

On demand loans receivable are classified as non-current in the Statement of financial position unless the Company expects to realise the assets within twelve months after the reporting date, in which case the loans are classified as current.

F1.2 RECOGNITION AND MEASUREMENT

(a) Initial recognition and measurement

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

Subject to two exceptions, financial assets are initially measured at fair value. The two exceptions are trade receivables without a significant financing component which are measured at the transaction price determined under IFRS 15 ‘Revenue from Contracts with Customers’ (“IFRS 15”), and financial assets not classified as FVTPL which are measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

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

(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 (“ECLs”). Interest income, foreign exchange gains and losses, and net ECLs are recognised in the Income statement. Any gain or loss on derecognition is also recognised in the Income statement.

Financial assets classified as FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Income statement unless the financial asset is a derivative which is part of a hedging relationship (refer to Note 2F3).

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when either the rights to receive cash flows from the asset have expired; or there is no reasonable expectation of recovering all, or a portion of, the contractual cash flows.

F2 FINANCIAL LIABILITIES

F2.1 CLASSIFICATION

Financial liabilities are classified as measured at FVTPL or amortised cost. A financial liability is classified as FVTPL if it is classified as held-for-trading, a derivative, or otherwise designated as such on initial recognition.

F2.2 RECOGNITION AND 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 classified as FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Income statement. Unless the financial liability is a derivative which is part of a hedging relationship (refer to Note 2F3).

Other 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.

(c) Derecognition

The Company derecognises a financial liability when the obligation under that liability is discharged, cancelled or expires. 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.

F2.3 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Company offsets a financial asset and a financial liability, and reports the net amount, only when the Company has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

F3 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

F3.1 DERIVITIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments, such as forward foreign currency contracts and commodity contracts, to hedge its foreign currency and commodity price risks. The Company also has inflation rate swaps. 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 2F3.2).

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

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 details 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 the hedged item.

F3.2 CASH FLOW HEDGES

For the significant majority of forward foreign currency contracts, the Company designates the spot and forward elements as the hedging instrument. However, there are a small number of contracts where only the spot element is designated as the hedging instrument. The portion of gain or loss of the hedging instrument determined to be an effective hedge is recognised within Other comprehensive income within the hedge reserve. The gain or loss on forward elements of contracts which are excluded from the hedging instrument are recognised within Other comprehensive income and form part of the cost of hedging reserve. If the cash flow hedge relates to hedging of operations the associated gains or losses on the derivative (previously recognised in Other comprehensive income) are recorded in the Income Statement in Gross margin. If the cash flow hedge relates to an underlying transaction which results in the recognition of a non-financial asset, the associated gains or losses on the derivative (previously recognised in Other comprehensive income) are recognised in the initial measurement of the asset arising from the hedged transaction.

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 the Cash flow hedge reserve is recognised in the Income statement. 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.

F3.3 FAIR VALUATION OF FINANCIAL INSTRUMENTS

In those circumstances where IFRS 9 'Financial Instruments' ("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.

Where derivatives are not collateralised, their valuation reflects the Company's credit risk in the case of liabilities, and the counterparty's credit risk in the case of assets.

G DECOMMISSIONING COSTS

Provision is made, on a discounted basis, for the estimated decommissioning costs of certain non-current assets. Capitalised decommissioning costs are depreciated over the useful lives of the related assets. The unwinding of the discount is included within Finance costs in the Income statement. The discount rate used for each provision is based on UK treasury bonds with maturities which are similar to the expected decommissioning date. The future estimated costs are based on the value of the costs at the reporting date, uplifted for inflation to the end of the useful economic life of the underlying asset, then discounted.

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

H REVENUE

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods and services. All revenue is earned wholly within the UK and Republic of Ireland and is wholly attributable to the principal activity of the Company.

(a) Supply of electricity

The Company's performance obligations are the supply of electricity to customers. This performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits of the Company's performance as it supplies electricity. The Company has a right to consideration in an amount that corresponds directly with the value to the customer of the Company's performance to date. Therefore, in line with IFRS 15, revenue is recognised in the amount to which the Company has a right to invoice based on the volume of units supplied during the year and the tariff agreed with the customer.

(b) Supply of ROCs

The supply of ROCs is a performance obligation satisfied at a point in time. Revenue is recognised at the point the customer obtains control of the ROC, which is when the associated electricity is generated, at the unit rate specified in the contract.

(c) Other Revenues

Other revenues, comprises various revenue streams which are all individually immaterial. For each revenue stream, revenue is recognised based on the consideration specified in the relevant contract with the customers, to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in the future. As relevant for each revenue stream, and in line with the performance obligations in each contract, the Company recognises revenue either at a specific point in time or over a period based on when control is transferred to the customer.

I PROCUREMENTS

Procurement costs are primarily direct costs and services for the use of the energy network. Costs are recorded on an accrual basis.

J OTHER OPERATING RESULTS

Other operating results is principally comprised of services recharged to other Iberdrola Group companies.

K 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.

L TAXATION

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

Deferred tax is the tax expected to be payable, or recoverable, on the difference between the carrying amounts of assets and liabilities in the Statement of financial position and the corresponding tax bases used in the computation of taxable profits (temporary differences), and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax losses or credits can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax is calculated on a non-discounted basis at the tax rates that are expected to apply in the period in which the liability is expected to be settled, or the asset realised, based on tax rates and laws enacted, or substantively enacted, at the reporting date. Deferred tax is charged to the Income statement, except where it relates to items charged or credited to equity (via the Statement of comprehensive income), in which case the deferred tax is also recognised in equity and is shown in the Statement of comprehensive income. The Company offset deferred tax assets and liabilities and reports the net amount, only when there is a legally enforceable right to set off the amounts, and the offset deferred tax assets and liabilities relate to taxes levied by the same taxation authority on the same taxable company.

Tax on the profit or loss for the year comprises current and deferred 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 other comprehensive income, or in equity consistently with the transactions that generated the distributable profits.

M INVESTMENTS

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

Investments in subsidiaries are stated at cost and reviewed for impairment if there are indicators that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by continuing to hold the asset and benefiting from the net present value of the future cash flows (value-in-use) of the investment.

3 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in property, plant and equipment

	Note	Wind power plants £m	Distribution facilities £m	Other items of property, plant and equipment in use (Note (i)) £m	Plant in the course of construction (Note (ii)) £m	Total £m
Cost:						
At 1 January 2024		2,391.6	203.6	81.6	153.5	2,830.3
Additions	(iii)	-	-	4.3	90.3	94.6
Reassessment of decommissioning asset		(0.8)	-	(0.2)	-	(1.0)
Transfers from plant in the course of construction to plant in use		20.5	-	5.8	(26.3)	-
Disposals		(1.8)	-	(2.4)	(0.1)	(4.3)
Impairment		-	-	-	(7.9)	(7.9)
At 31 December 2024		**2,409.5**	**203.6**	**89.1**	**209.5**	**2,911.7**
Depreciation:						
At 1 January 2024		995.5	73.3	10.4	-	1,079.2
Depreciation for the year		94.5	5.0	6.4	-	105.9
Disposals		(1.3)	-	(0.4)	-	(1.7)
At 31 December 2024		**1,088.7**	**78.3**	**16.4**	**-**	**1,183.4**
Net book value:						
At 31 December 2024		**1,320.8**	**125.3**	**72.7**	**209.5**	**1,728.3**
At 1 January 2024		1,396.1	130.3	71.2	153.5	1,751.1

	2024 £m	2023 £m
Property, plant and equipment in use	**1,518.8**	1,597.6
Property, plant and equipment in the course of construction	**209.5**	153.5

(i) Other items of property, plant and equipment in use principally comprises land, battery storage, solar plants and IT equipment.
(ii) Plant in the course of construction principally comprises battery storage, wind power plants and solar plants in the course of construction.
(iii) Interest on the funding attributable to major capital projects was capitalised during the year at a rate of 5.1% (2023 5.8%).
(iv) The cost of fully depreciated property, plant and equipment still in use at 31 December 2024 was £58.0 million (2023 £40.4 million).
(v) Included within the cost of property, plant and equipment at 31 December 2024 are assets in use not subject to depreciation, being land of £8.9 million (2023 £6.5 million).
(vi) Included within the cost of property, plant and equipment is capitalised interest of £18.0 million (2023 £16.4 million).
(vii) Included in Distribution facilities are assets with a carrying value of £0.5 million (2023 £0.5 million) which the Company leases via operating leases.

(b) Research and development expenditure

The amount of research and development expenditure recognised as an expense during the year was £1.2 million (2023 £1.6 million).

4 LEASING

The Company leases land, buildings and vehicles. Information about leases for which the Company is a lessee is presented below.

(a) Nature of leases

Land

The Company holds agreements to lease land and for the assignment of rights to use land, primarily for operational assets, (mainly wind farms), with typical lease terms of between four and 40 years. Certain leases contain the right to extend the lease term by up to 50 years; others can be terminated with appropriate notice, generally up to 24 months.

Some land leases, particularly those on which wind farms have been built, contain variable lease payments that are based on the output from the wind farm. Such payment terms are common for this type of lease. The fixed annual payments for the year were £14.3 million compared to variable payments made of £25.3 million. Despite the future planned growth, the Company expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

Buildings

The Company leases a building for its office space, with a lease term of nine years.

4 LEASING continued

Vehicles

The Company leases vehicles with lease terms of generally between seven and eight years, primarily being pool vehicles to mobilise its operational staff, and other specialist vehicles. Certain vehicle leases are considered short-term and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Extension options

Some leases, in particular land, contain extension options exercisable by the Company at the end of the non-cancellable contract period or an agreed point before that date. Where practicable, the Company seeks to include extension options in leases to provide operational flexibility. Those options held are exercisable only by the Company and not by the lessors. At lease commencement, the Company will assess whether it is reasonably certain to exercise the extension options and reassesses this if there is a significant event or change in circumstances within its control.

Other information

The Company has not committed to any leases that have not yet commenced. The Company has no contracts containing residual value guarantee, no leases subject to significant restrictions or covenants, and no sale and leaseback transactions.

(b) Right-of-use-assets

	Note	Land £m	Buildings £m	Vehicles £m	Total £m
Cost:					
At 1 January 2024		206.5	5.3	2.9	214.7
Adjustments for changes in liabilities	(i)	12.6	-	0.3	12.9
Disposals		(0.4)	(0.8)	(0.2)	(1.4)
At 31 December 2024		**218.7**	**4.5**	**3.0**	**226.2**
Depreciation:					
At 1 January 2024		39.7	1.8	2.1	43.6
Charge for the year		10.0	0.5	0.6	11.1
Transfers		(0.4)	(0.8)	(0.2)	(1.4)
At 31 December 2024		**49.3**	**1.5**	**2.5**	**53.3**
Net book value:					
At 31 December 2024		**169.4**	**3.0**	**0.5**	**172.9**
At 1 January 2024		166.8	3.5	0.8	171.1

(i) Adjustments for changes in liabilities are movements in the right-of-use asset resulting from remeasurement of the associated lease liability to reflect changes to the lease payments due to any reassessment or lease modifications.

(ii) There are no right-of-use assets measured at revalued amounts.

(c) Lease liabilities

	2024 £m	2023 £m
Less than one year	17.4	15.1
One to five years	61.7	57.7
More than five years	227.7	228.7
Total undiscounted lease liabilities at 31 December	**306.8**	301.5
Finance cost	(107.0)	(107.6)
Total discounted lease liabilities	**199.8**	193.9

Analysis of total lease liabilities		
Non-current	187.5	185.0
Current	12.3	8.9
Total	**199.8**	193.9

Details of ScottishPower's, and therefore the Company's, management strategy for liquidity risks inherent in the Company's lease liability can be found in the most recent Annual Report and Accounts of SPL.

4 LEASING continued

(d) Amounts recognised in the Income statement

	2024	2023
	£m	£m
Interest on lease liabilities	**(8.3)**	(7.7)
Variable lease payments not included in the measurement of lease liabilities	**(25.6)**	(18.0)

(e) Total cash outflow for leases

	2024	2023
	£m	£m
Total cash outflow for leases	**(40.8)**	(32.3)

5 INVESTMENTS

(a) Movements in investments

	Notes	Subsidiary undertakings shares	Investments in joint ventures	Total
		£m	£m	£m
At 1 January 2023		1,566.8	9.5	1,576.3
Acquisition	(i), (ii)	19.7	-	19.7
Impairment		(4.4)	-	(4.4)
At 1 January 2024		1,582.1	9.5	1,591.6
Disposal of subsidiaries	(iii)	(0.9)	-	(0.9)
Impairment	(iv)	(11.9)	-	(11.9)
At 31 December 2024		**1,569.3**	**9.5**	**1,578.8**

(i) On the 21 June 2023, the Company acquired the entire share capital of Pipplepen Solar Limited for £3.6 million.
(ii) On 7 March 2023, the Company purchased the remaining 28% of shares within Cumberhead West Wind Farm Ltd. for a consideration of £16.1 million.
(iii) On 2 February 2024, the Company sold its 72% holding in Douglas West Extension Limited.
(iv) Impairment primarily comprises write downs to Wood Lane Solar Limited and Grafton Underwood Solar Limited, subsidiaries of the Company, which were impaired by £5.9 million and £6.3 million respectively during 2024.

(b) Joint operations

CampionWind Limited and MarramWind Limited are joint operations to the Company which are structured through separate entities (refer to Note 2E). The Company has joint control over these companies through respective shareholder agreements which have the effect of giving the controlling parties rights to the assets of the arrangements and obligations for their liabilities. Therefore, the arrangements are considered to be joint operations.

Refer to Note 5(c) for details of the equity interest and registered office. The aggregate amount of the capital and reserves are noted below.

	2024	2023
	£m	£m
CampionWind Limited	122.1	91.0
MarramWind Limited	92.9	117.9
	215.0	208.9

SCOTTISHPOWER RENEWABLES (UK) LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

5 INVESTMENTS *continued*

(c) Subsidiaries and joint arrangements

The table below details the subsidiaries and joint arrangements of the Company at 31 December. All entities are direct holdings unless specified.

Name	Principal activities	Registered office and country of incorporation (see Note (i))	Equity interest 2024		2023
Subsidiaries					
Blaenau Gwent Solar Limited	Development of a solar farm	(A)	100%		100%
Bryn Henllys SF Limited	Development of a solar farm	(A)	100%		100%
Coldham Windfarm Limited	Operation of an onshore wind farm	(B)	80%		80%
Cumberhead West Wind Farm Ltd.	Development and construction of an onshore wind farm	(C)	100%	(ii)	100%
Douglas West Extension Limited	Development of an onshore wind farm	(C)	-	(iii)	72%
Down Barn Farm SF Limited	Development of a solar farm	(A)	100%		100%
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 Holdings Limited	Dormant	(D)	100%	(iv)	-
East Anglia Three Limited	Development and construction of an offshore wind farm	(D)	100%		100%
East Anglia Two Limited	Development and construction of an offshore wind farm	(D)	100%		100%
Grafton Underwood Solar Limited	Development of a solar farm	(A)	100%		100%
Hagshaw Hill Repowering Ltd	Development and construction of an onshore wind farm	(C)	100%		100%
Longney Solar Limited	Development of a solar farm	(A)	100%		100%
MachairWind Limited	Development of an offshore wind farm	(C)	100%		100%
Milltown Airfield Solar PV Limited	Development of a solar farm	(A)	100%		100%
Pipplepen Solar Limited	Development of a solar farm	(A)	100%	(v)	100%
Ranksborough Solar Limited	Development of a solar farm	(A)	100%		100%
ScottishPower Renewables (WODS)	Operation of an offshore wind farm	(C)	100%		100%
Sparrow Lodge Solar Limited	Development of a solar farm	(A)	100%		100%
Speyslaw Solar Limited	Development of a solar farm	(A)	100%		100%
Thurlaston Solar Limited	Development of a solar farm	(A)	100%		100%
Tuckey Farm Solar Limited	Development of a solar farm	(A)	100%		100%
Wood Lane Solar Limited	Development of a solar farm	(A)	100%		100%
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	(E)	50%	(vi)	50%
Joint operations					
CampionWind Limited	Development of an offshore wind farm	(F)	50%		50%
MarramWind Limited	Development of an offshore wind farm	(F)	50%		50%

5 INVESTMENTS *continued*

(i) The registered offices of the subsidiaries and joint ventures are as listed below, along with their countries of incorporation. Where the registered office is in England, it is registered in England and Wales.
- (A) 4th Floor,1 Tudor Street, London, 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, London, EC4Y 0AH, England
- (E) 5 Howick Place, London, SW1P 1WG, England
- (F) 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland

(ii) The Company held 72% of the share capital in this entity until 7 March 2023 when it acquired the remaining 28% of share capital.
(iii) On 2 February 2024, the Company sold it's 72% holding in Douglas West Extension Limited.
(iv) East Anglia Three Holdings Ltd was incorporated on 27 November 2024.
(v) The Company acquired the entire share capital of Pipplepen Solar Limited for a consideration of £3.6 million on 21 June 2023.
(vi) Morecambe Wind Limited is an indirect holding of the Company.

6 FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments, comprising foreign exchange forward contracts, a commodity swap and inflation-related embedded derivatives which are measured in the Statement of financial position at fair value as detailed below.

	Note	Derivative financial instruments (Note (b))	Contingent consideration (Note (c))
At 1 January 2023		(349.3)	1.8
Recorded in Income statement		31.7	3.5
Recorded in Cash flow hedge reserve		42.1	-
Settlement of Derivatives		13.4	-
Recorded in Cash		-	(5.1)
At 31 December 2023 and 1 January 2024		(262.1)	0.2
Recorded in Income statement		(20.3)	(0.2)
Recorded in Cash flow hedge reserve	(a)	1.8	-
Settlement of Derivatives		20.1	-
At 31 December 2024		**(260.5)**	**-**

(a) Changes in the value of cash flow hedges

Changes in the value of cash flow hedges of £2.0 million (2023 £42.1 million) includes releases of previously deferred amounts of £0.2 million (2023 nil) to Plant in the course of construction. Accordingly, these amounts should be excluded from the derivative financial instrument reconciliation above.

(b) Derivative financial instruments

The Company's derivatives comprise forward foreign currency contracts, commodity derivatives and inflation rate swaps. The Company uses forward foreign currency contracts to hedge its exposure to foreign currency risk and commodity derivatives to hedge its exposure to commodity price risk. Under the Company's policy, the critical terms of the derivatives must align with the hedged items. The Company enters into forward foreign currency contracts to primarily hedge asset purchases. For such items, the Company designates the entire value of the foreign currency forwards in the hedge relationship. Commodity derivatives are transacted to hedge the risks associated with electricity generation. The Company designates the proportion of the commodity derivative equal to the highly probable forecast output of the wind farm (whose output is hedged) in the hedge relationship.

Renewable production is exposed to inflation risk through its CfDs. Income earned through CfDs varies with inflation and volatility inherent in inflation will therefore impact the income of Renewable production. To reduce exposure to this risk, in previous years the Company, on behalf of Renewable production, entered into CPI inflation rate swaps. These instruments result in the Company, and therefore Renewable production, receiving a fixed CPI interest element, and paying a variable CPI interest element based on out-turned CPI. The aim is to reduce earnings volatility within Renewable production, as the cash flows from the CPI inflation rate swaps will offset volatility in the income from CfDs due to CPI inflation.

6 FINANCIAL INSTRUMENTS ***continued***

The CPI inflation rate swaps do not satisfy the requirements for hedge accounting under IFRS 9 at the Company level (only at the Renewable production level) therefore, whilst these derivatives are subject to the same risk management policies as all other derivative contracts, they are accounted for as 'held for trading' with gains and losses recognised in the Income statement.

The following tables illustrate the timing of the notional amount of the hedging instruments and the average forward price of the foreign exchange hedging instrument.

Notional amount of hedging instrument (maturity profile)

At 31 December 2024	1 year	2 years	3 years	4 years	5 years+	Total
Commodity derivatives	7.3	7.3	7.3	7.3	3.3	**32.5**

At 31 December 2024	1 year	2 years	3 years	4 years	5 years+	Total
Foreign exchange rate derivatives - USD	0.6	-	-	-	-	**0.6**
Foreign exchange rate derivatives - EUR	36.6	52.9	1.2	5.0	6.2	**101.9**
	37.2	**52.9**	**1.2**	**5.0**	**6.2**	**102.5**

The future amounts on derivative instruments may be different from the amounts in the table as interest rates and commodity prices or other relevant conditions underlying the calculation change.

	Average forward price (exchange rate)				
At 31 December 2024	**1 year**	**2 years**	**3 years**	**4 years**	**5 years+**
USD (GBP:USD)	1.27	-	-	-	-
EUR (GBP:EUR)	1.15	1.13	1.12	1.10	1.09

(c) Contingent consideration

As part of the share purchase agreement in relation to the sale of a minority stake in East Anglia One Limited ("EA1L") in 2019, a contingent consideration was agreed. Payment of this consideration is principally based on savings made on the project's forecasted spend which was agreed as part of the share purchase agreement. The contingent consideration is fair-valued using a risk and probability-based model which considers the impacts of final construction costs. During the year, the contingent consideration was reduced to nil.

7 TRADE AND OTHER RECEIVABLES

	Notes	**2024** **£m**	2023 £m
Non-current:			
Receivables due from related parties		0.9	1.0
Receivables due from related parties - loans	(a)	339.0	150.0
Prepayments		1.1	1.2
		341.0	152.2
Current:			
Receivables due from related parties	(b), (c)	598.3	587.5
Receivables due from related parties – loans	(a)	10.0	-
Receivables due from related parties – interest		32.9	40.5
Receivables due from jointly controlled entities		-	1.0
Trade receivables (including accrued income)		7.8	9.8
Prepayments		8.8	11.2
Other tax receivables		6.5	2.6
Other receivables		1.2	1.8
		665.5	654.4

(a) Loans due from related parties are receivable on demand with interest earned at Base plus 1%. The loans are repayable on demand, but certain loans are classified as non-current as the Company expects to realise the assets after twelve months from reporting date.

(b) Trade and other receivables include £292.3 million (2023 £281.0 million) of IFRS 15 receivables. Net expected credit losses of £0.3 million (2023 £0.1 million) were recognised during the year on receivables arising from the Company's contracts with customers.

(c) The Company utilises forms of collateral internally with ScottishPower companies, to manage its credit exposure. All collateral posted is settled in cash. At 31 December 2024, the Company posted cash collateral of £235.0 million (2023 £249.9 million).

8 PROVISIONS

	Decommissioning costs (Note (a)) £m	Other £m	Total £m
At 1 January 2023	124.1	-	124.1
Reassessment of decomissioning costs	(8.0)		(8.0)
New provisions	-	2.8	2.8
Unwinding of discount	4.7	-	4.7
Utilised during year	(1.4)	-	(1.4)
Released during year	(0.1)	-	(0.1)
At 31 December 2023 and 1 January 2024	119.3	2.8	122.1
Reassessment of decomissioning costs	(0.9)	-	(0.9)
New provisions	-	0.2	0.2
Unwinding of discount	4.9	-	4.9
Utilised during year	(0.2)	-	(0.2)
Released during year	-	(2.8)	(2.8)
At 31 December 2024	**123.1**	**0.2**	**123.3**

Analysis of total provisions	**2024** **£m**	2023 £m
Non-current	118.0	116.2
Current	5.3	5.9
	123.3	122.1

(a) The provision for decommissioning costs is the discounted future estimated costs of decommissioning certain non-current assets. There is significant estimation uncertainty in relation to this. Refer to Note 2 for further details. The decommissioning costs are expected to be incurred in the period between 2025 and 2060. The following table shows the timeline in which undiscounted costs in relation to the decommissioning provision are expected to become current:

8 PROVISIONS *continued*

	1 to 10 years £m	11 to 20 years £m	21 to 30 years £m	31 to 40 years £m	**Total £m**
Decommissioning costs	74.7	66.0	72.2	55.5	**268.4**

9 LOANS AND OTHER BORROWINGS

			2024		2023	
	Interest rate	Maturity	**Non current £m**	**Current £m**	Non current £m	Current £m
Loan with related party	Base + 1%	On demand	-	3.0	-	3.0
Loans with related parties	3.05%	20 December 2027	700.0	-	700.0	-
Loans payable to related parties			**700.0**	**3.0**	700.0	3.0
Accrued interest due to related parties			-	0.7	-	0.7
			700.0	**3.7**	700.0	3.7

(a) All loans are repayable in full on maturity.

10 DEFERRED TAX

Deferred tax provided in the Accounts is as follows:

	Property, plant and equipment £m	Derivative financial instruments £m	Other temporary differences £m	Total £m
At 1 January 2023	256.7	(15.0)	(0.8)	240.9
Charge/(credit) to the Income statement	(5.2)	-	0.4	(4.8)
Recorded in the statement of comprehensive income	-	10.2	-	10.2
At 1 January 2024	251.5	(4.8)	(0.4)	246.3
Charge/(credit) to the Income statement	5.2	-	(0.4)	4.8
Recorded in the statement of comprehensive income	-	0.5	-	0.5
At 31 December 2024	**256.7**	**(4.3)**	**(0.8)**	**251.6**

(a) Legislation was enacted on 10 June 2021 under the Finance Act 2021 that increased the UK Corporation Tax rate to 25% from 1 April 2023. Accordingly, the deferred tax balances at 31 December 2023 were provided at 25%, to reflect the rate that the temporary differences are expected to reverse at.

11 CURRENT TRADE AND OTHER PAYABLES

	2024 £m	2023 £m
Payables due to related parties	3.3	1.5
Trade payables	50.4	41.8
Other taxes and social security	2.0	2.0
Payments received on account	0.6	0.6
Capital payables and accruals	19.0	25.2
Other payables	15.4	12.0
	90.7	83.1

12 EMPLOYEE INFORMATION

(a) Staff costs

	2024	2023
	£m	£m
Wages and salaries	72.4	62.3
Social security costs	8.0	7.1
Pension and other costs	7.7	6.3
	88.1	75.7
Capitalised staff costs	(8.1)	(6.9)
Charge to the Income statement	**80.0**	68.8

(b) Employee numbers

The average numbers of employees (full and part-time) employed by the Company, including UK based directors, were:

	Average	Average
	2024	2023
Administrative	136	106
Operations	779	701
Total	**915**	807

Retirement benefits

The Company's contributions payable in the year were £6.6 million (2023 £5.6 million). The Company contributes to ScottishPower's defined benefit and defined contribution schemes in the UK and the contributions payable in the year reflect the contributions payable in respect of active participants in the group schemes who are employed by the Company. Full details of these schemes are provided in the most recent Annual Report and Accounts of SPUK, the intermediate holding company and the sponsoring company of the retirement benefit schemes. As at 31 December 2024, the surplus in ScottishPower's defined benefit schemes in the UK amounted to £125 million (2023 £123 million surplus). The employer contribution rate for these schemes in the year ended 31 December 2024 was 52.9%-53.4%.

13 TAXES OTHER THAN INCOME TAX

	Note	2024	2023
		£m	£m
Property taxes		22.1	20.4
Electricity Generator Levy	(a)	108.6	46.1
		130.7	66.5

(a) The Electricity Generator Levy is a temporary 45% charge on exceptional receipts generated low-carbon UK power generation meeting certain conditions. The levy is in effect until 31 March 2028.

14 DEPRECIATION AND AMORTISATION CHARGE, ALLOWANCES AND PROVISIONS

	2024	2023
	£m	£m
Property, plant and equipment depreciation charge	105.9	101.1
Right-of-use asset depreciation charge	11.1	10.3
Intangible asset amortisation charge	1.1	1.0
Charges and provisions, allowances and impairment of assets	10.3	6.9
	128.4	119.3

15 FINANCE INCOME

	Note	**2024** **£m**	2023 £m
Interest on bank and other deposits		-	0.3
Interest receivable from related parties		49.2	50.7
Foreign exchange gains		0.3	0.2
Fair value and other gains on non-hedging derivatives	(a)	2.1	23.3
Fair value gains on contingent consideration		-	3.5
		51.6	78.0

(a) Fair value movements on non-hedging derivatives primarily arise from CPI swaps entered by the Company. For further information, see Note 6.

16 FINANCE COSTS

	Note	**2024** **£m**	2023 £m
Interest on amounts due to related parties		21.5	21.4
Interest on other borrowings		1.9	-
Net impairment of financing and investment instruments		12.2	4.4
Unwinding of discount on provisions		4.9	4.7
Interest on lease liabilities		8.3	7.7
Foreign exchange losses		-	0.1
Fair value and other losses on non-hedging derivatives	(a)	23.3	-
Fair value movement on contingent consideration		0.2	-
		72.3	38.3
Capitalised interest		(1.6)	(0.2)
		70.7	38.1

(a) Fair value movements on non-hedging derivatives primarily arise from CPI swaps entered by the Company. For further information, see Note 6.

17 INCOME TAX

	2024 **£m**	2023 £m
Current tax:		
UK Corporation Tax for the year	140.9	97.9
Adjustments in respect of prior years	(0.4)	(3.5)
Current tax for the year	**140.5**	94.4
Deferred tax:		
Origination and reversal of temporary differences	2.2	(4.0)
Adjustments in respect of prior years	2.6	(0.8)
Deferred tax for the year	**4.8**	(4.8)
Income tax for the year	**145.3**	89.6

The tax expense on profit for the year varied from the standard rate of UK Corporation Tax applicable to the Company as follows:

	2024 **£m**	2023 £m
Corporation Tax at 25% (2023 23.5%)	175.7	244.0
Adjustments in respect of prior years	2.2	(4.3)
Dividends from subsidiaries	(70.5)	(168.4)
Non-deductible expenses and other permanent differences	37.9	18.3
Income tax for the year	**145.3**	89.6

Legislation was enacted on 10 June 2021 under the Finance Act 2021 that increased the UK Corporation tax rate to 25% from 1 April 2023. Accordingly, the deferred tax balances at 31 December 2023 were provided at 25%, to reflect the rate that the temporary differences are expected to reverse at.

18 DIVIDENDS

	2024	2023	2024	2023
	pence per ordinary share	pence per ordinary share	£m	£m
Interim dividend paid	**23.0**	41.5	**467.0**	843.6

19 FINANCIAL COMMITMENTS AND GUARANTEES

(a) Financial commitments

	2024		2023	
	Capital £m	Other contractual commitments £m	Capital £m	Other contractual commitments £m
Less than one year	64.1	50.9	23.6	50.2
One to two years	49.2	24.4	1.4	28.6
Two to three years	1.3	28.1	-	15.1
Three to four years	0.5	24.3	-	8.7
Four to five years	-	21.0	-	5.8
More than five years	-	184.6	-	27.7
	115.1	**333.3**	25.0	136.1

(b) Financial guarantees

	2024 £m	2023 £m
Performance of contracts:		
SPRUKL on behalf of subsidiary	1,872.3	1,103.7
SPRUKL on behalf of joint arrangements	12.0	12.0
	1,884.3	1,115.7

	2024 £m	2023 £m
Subsidiaries:		
Cumberhead West Wind Farm Ltd	93.8	97.6
Douglas West Extension Limited	-	0.6
East Anglia One Limited	7.5	7.5
East Anglia One North Limited	18.4	18.4
East Anglia Three Limited	362.6	830.7
East Anglia Two Limited	1,258.3	18.4
Hagshaw Hill Repowering Ltd	68.7	68.1
MachairWind Limited	5.0	5.0
ScottishPower Renewables (WODS) Limited	57.4	57.4
Tuckey Farm Solar Limited	0.6	-
	1,872.3	1,103.7

	2024 £m	2023 £m
Joint arrangements:		
CampionWind Limited	2.5	2.5
MarramWind Limited	5.0	5.0
East Anglia Offshore Wind Limited	4.5	4.5
	12.0	12.0

20 RELATED PARTY TRANSACTIONS

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

	2024			2023		
	Other Iberdrola Group companies	**Subsidiaries**	**Joint ventures**	Other Iberdrola Group companies	Subsidiaries	Joint ventures
	£m	**£m**	**£m**	£m	£m	£m
Types of transaction						
Sales and rendering of services	**10.9**	**0.9**	**0.2**	0.4	11.8	0.2
Purchases and receipt of services	**-**	**-**	**(0.9)**	-	-	(0.7)
Finance costs (excluding non-hedging derivatives)	**-**	**-**	**(0.2)**	-	(0.3)	-
Dividends received	**-**	**184.6**	**-**	-	659.7	-
Balances outstanding						
Trade and other receivables	**0.5**	**-**	**1.1**	1.0	1.5	1.3
Trade and other payables	**(1.2)**	**-**	**(0.8)**	-	(0.7)	(0.7)
Loans payable	**-**	**-**	**(3.0)**	-	-	(3.0)

(i) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

(b) Directors' remuneration

The remuneration of the directors who provided qualifying services is set out below. As these directors are remunerated for their work for Renewable production, it has not been possible to apportion the remuneration specifically in respect of services to the Company. All of the directors were remunerated directly by the Company in both years.

	2024	2023
	£000	£000
Aggregate remuneration in respect of qualifying services	**734**	937

	2024	2023
Number of directors who exercised share options	**3**	2
Number of directors who received shares under a long-term incentive scheme	**3**	2
Number of directors accruing retirement benefits under a defined benefit scheme	**3**	2

	2024	2023
Highest paid director	**£000**	£000
Aggregate remuneration	**473**	678
Accrued pension benefit	**50**	51

(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.

(c) Immediate and ultimate parent company

The immediate parent company is SPREL. The registered office of SPREL 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 Scottish Power UK plc.

Copies of the consolidated Accounts of Iberdrola, S.A. 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 Scottish Power UK plc 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 5.

21 AUDITOR'S REMUNERATION

	2024	2023
	£000	£000
Audit of the Annual accounts	**113**	105

22 POST BALANCE SHEET EVENT

During May 2025, the directors of the Company signed an agreement to sell 50% of the East Anglia Three business (comprising EA3H and EA3).

The transaction is expected to complete in Q3 2025, contingent on standard conditions precedent outlined in the Share Purchase Agreement, including prior approval from The Crown Estate.

The value of the investment held by the Company in the East Anglia Three business at year end is £101 however the directors expect to invest £168 million in additional share capital in 2025 as part of the sale agreement. They are still working through the details of the transaction and expect the outcome to result in a material loss in the income statement in 2025.