

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

Registered No. SC374288

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
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# SCOTTISHPOWER RENEWABLES (WODS) LIMITED

## STRATEGIC REPORT

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

### INTRODUCTION

The principal activity of the Company, registered company number SC374288, is the joint operation of the West of Duddon Sands ("WODS") offshore wind farm located in the East Irish Sea. 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 Renewables (UK) Limited ("SPRUKL"). Scottish Power Limited ("SPL") is the United Kingdom ("UK") holding company of the Scottish Power Limited Group ("ScottishPower") of which the Company is a member.

The Company is part of ScottishPower's Renewable production division ("Renewable production") responsible for the origination, development, construction, operation and decommissioning of renewable generation plants, principally offshore and onshore wind, with a growing presence in battery storage and solar.

### STRATEGIC OUTLOOK

#### Operating review

The 389 megawatt ("MW") WODS project is a 50/50 joint arrangement with Orsted West of Duddon Sands (UK) Limited. These Accounts contain the Company's share of the WODS joint arrangement. The project is in its second operational term, with Orsted Wind Power A/S providing operations and maintenance services. The site continues to deliver availability in line with expectations.

#### 2024 Performance

	Revenue*		Operating profit*		Capital investment**	
	2024	2023	2024	2023	2024	2023
Financial key performance indicators	£m	£m	£m	£m	£m	£m
	215.5	178.4	132.1	107.9	4.0	(2.7)

\*Revenue and Operating profit are presented on the Income statement and statement of comprehensive income on page 12.

\*\* Additions to Property, plant and equipment and reassessment of decommissioning asset within Property, plant and equipment (refer to Note 3 on page 20).

Revenue increased by £37.1 million to £215.5 million in 2024 due to higher energy prices, Renewables Obligation Certificates ("ROCs") prices and Renewable Energy Guarantees of Origin ("REGO") prices.

Operating profit increased by £24.2 million to £132.1 million in 2024 principally due to higher revenue, partially offset by an £11.2m increase in the Electricity Generator Levy.

Capital investment increased by £6.7 million to £4.0 million due to major component exchanges being required in the year and an increase in the decommissioning asset.

Non-financial key performance indicators	Notes	2024	2023
Plant output (GWh)	(a)	749	755
Generating capacity (MW)	(b)	194	194
Availability	(c)	97%	97%

(a) Plant output is a measure of the electrical output generated in the year measured in gigawatt hours ("GWh"), which in turn drives the revenue of the business.

(b) Installed capacity represents the total number of MW installed. This includes all turbines 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.

#### Outlook for 2025 and beyond

The Company continues to operate successfully and during 2025 the key focus will be on maximising availability of the plant and its associated output.

### FINANCIAL INSTRUMENTS

In the current year the Company's financial instruments include Trade and other receivables (principally with Iberdrola Group companies), Cash, Trade and other payables and Loans and borrowings. The Company has exposure to credit risk and treasury risk (comprising both liquidity and market risk) arising from these financial instruments.

## SCOTTISHPOWER RENEWABLES (WODS) LIMITED

### STRATEGIC REPORT *continued*

#### FINANCIAL INSTRUMENTS *continued*

Credit risk is the risk that a counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk from Iberdrola Group companies is considered to be low as no Iberdrola Group company has a credit rating lower than BBB+ (in line with the external credit ratings from 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). Both are managed by ScottishPower's Treasury department who are responsible for arranging banking facilities on behalf of the Company. The Company produces short-term rolling cash flow requirements and if necessary any required funding is obtained via credit facilities already in place.

#### PRINCIPAL RISKS AND UNCERTAINTIES

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	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.
GLOBAL FINANCIAL MARKET VOLATILITY	
RISK	RESPONSE
Impacts arising from market and regulatory reactions to geopolitical events. As well as positive or negative changes in the UK economy, including 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.	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.
CLIMATE CHANGE	
RISK	RESPONSE
The risk that the Company's strategy, 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.	<p>The Company is committed to reducing its environmental footprint by:</p> <ul style="list-style-type: none"> <li>• reducing emissions to air, land and water and preventing environmental harm;</li> <li>• identifying and managing climate risks and opportunities, and implementing adaptation measures where required;</li> <li>• minimising energy consumption and use of natural and human-made resources;</li> <li>• sourcing material resources responsibly, cutting waste and encouraging re-use and recycling; and</li> <li>• protecting natural habitats and restoring biodiversity.</li> </ul>
HEALTH AND SAFETY	
RISK	RESPONSE
A major health and safety incident in the course of operations could impact 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 Company 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.

## SCOTTISHPOWER RENEWABLES (WODS) LIMITED

### STRATEGIC REPORT *continued*

#### PRINCIPAL RISKS AND UNCERTAINTIES *continued*

CYBER SECURITY	
RISK	RESPONSE
<p>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, in alignment with UK Regulation, takes the protection of its Data very seriously. The Company, as part of ScottishPower continues to invest significantly in its processes and technologies to enhance its capabilities to prevent, detect and respond to security threats.</p> <p>The main risks are:</p> <ul style="list-style-type: none"> <li>• Operational technology used to manage the Renewable production, management and distribution of energy or physical safety systems (fire protection, CCTV, alarm reception centres).</li> <li>• IT that enables the Company to operate critical services.</li> <li>• The confidentiality, integrity, and availability of key information assets.</li> <li>• Other cyber security risks impacting reputation.</li> </ul>	<p>The Company, as part of ScottishPower, continues to focus on enterprise security risks through enhanced internal governance, complemented by the adoption of a 'three lines of defence' model with clear roles and responsibilities established. This has involved the appointment of a ScottishPower Chief Information Security Officer as well as the appointment of Business Information Security Officers.</p> <p>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.</p> <p>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.</p>
SUPPLY CHAIN	
RISK	RESPONSE
<p>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.</p>	<p>Identifying potential shortages, delays and gaps in the supply of products, equipment and labour. The supply chain is advised by the ScottishPower Procurement department 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 are developed and implemented.</p>
REDUCED SECURITY OF SUPPLY	
RISK	RESPONSE
<p>Reduced security of supply due to potential asset failures alongside decreased generation capacity.</p>	<p>Risk-based asset investment programme in place, business continuity and emergency planning well established including Electricity System Restoration Strategic spares policy in place.</p>

The Company continues to monitor and assess the impact of additional security risks as a result of terrorism, war and other world events and will put mitigating actions in place if and when appropriate.

#### ENGAGING WITH STAKEHOLDERS

##### The importance of engaging with stakeholders

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

##### Key stakeholders

The Company, has four key stakeholder categories: customers; government and regulators; suppliers and contractors; and community and environment. Behind these stakeholders are many people, and institutions, organisations and groups. Each of them, with their decisions and opinions, influence the Company, and they are also affected by the Company's activities.

## **SCOTTISHPOWER RENEWABLES (WODS) LIMITED**

### **STRATEGIC REPORT *continued***

#### **ENGAGING WITH STAKEHOLDERS *continued***

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 also important to the Company. The Company's relationship with its shareholders is governed by the Company's Articles of Association and provisions of the Governance and Sustainability System which apply to the Company and the Group, 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](http://www.iberdrola.com).

#### **CUSTOMERS**

The Company's key customer is ScottishPower Energy Retail Limited ("SPERL"), which is 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.

#### **GOVERNMENT AND REGULATORS**

Governments and regulators play a central role in shaping the energy sector. The Company, as part of Renewable production, engages with them directly and through trade associations, responding to issues of concern and providing expertise to support policy development. Through this engagement, the Company aims to contribute to the delivery of a UK energy system that functions in the interests of customers now, and in the future, including achievement of the UK and Scottish Governments' net zero decarbonisation targets.

#### **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.

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 we have a range of policies that all suppliers must adhere to, including the ScottishPower Code of Ethics.

Engagement with the supply chain is always a critical activity for the Company but continues to become more important as the Company adapts to the current geopolitical and macroeconomic challenges.

#### **COMMUNITY AND ENVIRONMENT**

The Company aims to be a trusted, respected and fully-integrated part of the community, by operating with the utmost integrity and transparency, actively participating in the community, and fostering strong relationships. The Company is committed to being a good neighbour throughout all its operations to ensure the benefits are realised in local areas by helping to create local employment and enabling improvements to local infrastructure and services.

The Company is committed to reducing its environmental footprint by: reducing emissions to air, land and water and preventing environmental harm; minimising energy consumption and use of natural and man-made resources; sourcing material resources responsibly, cutting waste and encouraging re-use and recycling; and protecting natural habitats and restoring biodiversity.

#### **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](http://www.scottishpower.com).

## SCOTTISHPOWER RENEWABLES (WODS) LIMITED

### STRATEGIC REPORT *continued*

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

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

The delivery of the Company's strategy 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 and examples of the key stakeholders of the Company, and how it engages with them are as follows:

- **Customers:** details of how the Company engages with its customers are explained in the 'Customers' sub-section of the Strategic Report, on page 4. The Company's board of directors ("the Board") recognises that the Company's key customer is ScottishPower Energy Retail Limited, a fellow subsidiary, to which it provides energy and related services.
- **Community and the environment:** details of how the Company, engages with communities and considers the environment are set out in the 'Community and environment' sub-section of the Strategic Report, on page 4.
- **Suppliers and contractors:** details of how the Company engages with its suppliers are set out in the 'Suppliers and contractors' sub-section of the Strategic Report, on page 4. During the year, the Board considered and 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' sub-section of the Strategic Report, on page 4.

In addition, a statement in relation to the Company's interaction with its shareholders is described in the introduction to the 'Engaging with stakeholders' section of the Strategic Report on pages 3 and 4.

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 Company's board of directors ("the Board") were in conformance with their duty under section 172 of the Companies Act 2006.

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

16 June 2025

## **SCOTTISHPOWER RENEWABLES (WODS) LIMITED**

### **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 5:

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

#### **RESULTS AND DIVIDEND**

The net profit for the year was £92.1 million (2023 £74.4 million). A dividend of £97.3 million was paid during the year (2023 £57.0 million).

#### **DIRECTORS**

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

Heather Chalmers White (resigned 6 November 2024)

Javier Garcia Gonzalez Quijano

Gillian Clare Noble (resigned 4 December 2024)

Marc Rossi (appointed 6 November 2024)

Ross Andrew Ovens (appointed 4 December 2024)

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

#### **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 ACCOUNTS**

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101").

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.

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
**DIRECTORS' REPORT *continued***

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

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

**Disclosure of information to auditor**

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

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

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

**AUDITOR**

KPMG LLP was re-appointed as the auditor of the Company for the year ending 31 December 2025.

**ON BEHALF OF THE BOARD**



**Marc Rossi**  
**Director**  
10 June 2025

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISHPOWER RENEWABLES (WODS) LIMITED**

### **Opinion**

We have audited the financial statements of ScottishPower Renewables (WODS) Limited ("the Company") for the year ended 31 December 2024 which comprise the Statement of financial position, Income statement and statement of comprehensive income, Statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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. 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.

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.

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

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

#### *Identifying and responding to risks of material misstatement due to fraud*

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

- Enquiring of directors, 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISHPOWER RENEWABLES (WODS) LIMITED *continued***

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

- 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 and bribery legislation. 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.

### *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.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISHPOWER RENEWABLES (WODS) LIMITED *continued***

## **Strategic report and directors' report**

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

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

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

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on pages 6 and 7, 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.

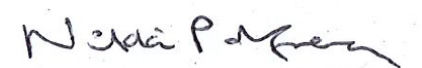
## **Auditor's responsibilities**

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](http://www.frc.org.uk/auditorsresponsibilities).

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Nikki Palfreman (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

319 St Vincent Street

Glasgow

G2 5AS

11 June 2025

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

	Notes	2024 £m	2023 £m
<b>NON-CURRENT ASSETS</b>			
Intangible assets		0.2	-
Property, plant and equipment	3	365.1	388.4
Right-of-use assets	4	10.1	10.3
Investments accounted for using the equity method	5	-	-
Trade and other receivables	6	87.1	52.0
		<b>462.5</b>	<b>450.7</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	6	113.1	114.6
Cash		1.6	1.2
		<b>114.7</b>	<b>115.8</b>
<b>TOTAL ASSETS</b>		<b>577.2</b>	<b>566.5</b>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>			
Share capital		160.0	160.0
Retained earnings		50.5	55.7
<b>TOTAL EQUITY</b>		<b>210.5</b>	<b>215.7</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	7	35.7	32.1
Loans and other borrowings	8	200.0	200.0
Lease liabilities	4	10.7	10.9
Deferred tax liabilities	9	63.8	65.6
		<b>310.2</b>	<b>308.6</b>
<b>CURRENT LIABILITIES</b>			
Loans and other borrowings	8	0.2	0.2
Lease liabilities	4	1.7	1.5
Trade and other payables	10	13.7	11.9
Current tax liabilities		40.9	28.6
		<b>56.5</b>	<b>42.2</b>
<b>TOTAL LIABILITIES</b>		<b>366.7</b>	<b>350.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>577.2</b>	<b>566.5</b>

Approved by the Board on and signed on its behalf on 10 June 2025.



**Marc Rossi**  
**Director**

The accompanying Notes 1 to 21 are an integral part of the Statement of financial position as at 31 December 2024.

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

		<b>2024</b>	2023
	Notes	<b>£m</b>	£m
Revenue		215.5	178.4
Procurements		(13.5)	(14.6)
<b>GROSS MARGIN</b>		<b>202.0</b>	163.8
External services		(21.5)	(19.1)
Other operating results		1.3	1.1
<b>Net operating costs</b>		<b>(20.2)</b>	(18.0)
<b>Taxes other than income tax</b>	12	<b>(21.6)</b>	(10.4)
<b>GROSS OPERATING PROFIT</b>		<b>160.2</b>	135.4
Depreciation and amortisation charge, allowances and provisions	13	(28.1)	(27.5)
<b>OPERATING PROFIT</b>		<b>132.1</b>	107.9
Finance income	14	7.3	2.4
Finance costs	15	(8.3)	(8.0)
<b>PROFIT BEFORE TAX</b>		<b>131.1</b>	102.3
Income tax	16	(39.0)	(27.9)
<b>NET PROFIT FOR THE YEAR</b>		<b>92.1</b>	74.4

Net profit for both years comprises total comprehensive income.

Net profit for both years is wholly attributable to the equity holder of ScottishPower Renewables (WODS) Limited.

All results relate to continuing operations.

The accompanying Notes 1 to 21 are an integral part of the Income statement and statement of comprehensive income for the year ended 31 December 2024.

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2024**

	Share capital (Note (a)) £m	Retained earnings (Note (b)) £m	Total £m
At 1 January 2023	160.0	38.3	198.3
Profit for the year attributable to the equity holder of the Company	-	74.4	74.4
Dividends	-	(57.0)	(57.0)
At 1 January 2024	160.0	55.7	215.7
Profit for the year attributable to the equity holder of the Company	-	92.1	92.1
Dividends	-	(97.3)	(97.3)
<b>At 31 December 2024</b>	<b>160.0</b>	<b>50.5</b>	<b>210.5</b>

- (a) At 31 December 2024 the Company has 160,000,001 allotted, called up and fully paid ordinary shares of £1 each (2023 160,000,001). Holders of these ordinary shares are entitled to dividends as declared from time to time; amounts on the capitalisation of profits and reserves; and notice and attendance at general meetings of the Company, with every member entitled to one vote on a show of hands and on a poll one vote for every share held.
- (b) Retained earnings comprise the cumulative balance of profits and losses recognised in the financial statement as adjusted for transactions with shareholders, principally dividends.

The accompanying Notes 1 to 21 are an integral part of the Statement of changes in equity for the year ended 31 December 2024.

# **SCOTTISHPOWER RENEWABLES (WODS) LIMITED**

## **NOTES TO THE ACCOUNTS**

### **31 December 2024**

#### **1 BASIS OF PREPARATION**

##### **A COMPANY INFORMATION**

ScottishPower Renewables (WODS) Limited, registered company number SC374288, is a private company limited by shares, incorporated in Scotland and its registered address is 320 St. Vincent Street, Glasgow, G2 5AD.

##### **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.

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, IAS pronouncements; and
- disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Scottish Power UK plc 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; and
- certain disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

##### **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 joint operation of the WODS offshore wind farm within the group headed by ScottishPower UK Plc ("the SPUK Group"), 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 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 operates 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 take account of reasonably possible downsides, SPUK has indicated its intention to continue to make available such funds as are needed by the Company, including amounts due to other entities within the SPUK group, 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.

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

**1 BASIS OF PREPARATION** *continued*

**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'

**D INVESTMENT IN JOINT VENTURE**

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. 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.

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

Management makes a number of judgements and assumptions regarding the future and about other sources of estimation uncertainty at the end of the reporting period that may 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 and other judgements and estimation uncertainties made by management are set out below.

**SIGNIFICANT ESTIMATION UNCERTAINTIES**

**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 2E for further details.

The value of decommissioning provisions in the Statement of financial position is £35.7 million (2023 £32.1 million). The increase in the year is primarily due to the unwinding of the discount and a reassessment of the decommissioning costs in the year.

The discount rates applied are based on UK treasury bonds with maturities which are similar to the expected decommissioning date. The discount rate utilised in the current year was 4.74%. 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 incurred by 2038.

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 £3.6 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 £6.0 million higher and £5.2 million lower respectively. Had the discount rate applied been 1% higher or lower, this would have resulted in the decommissioning provision being approximately £5.0 million lower and £5.9 million higher respectively.

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

**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 2, 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 following areas:

- the going concern position of the Company, including the cash flow forecasts prepared for the directors' assessment referred to in Note 1B2; and
- the risk that increasing variability in weather patterns could result in lower output from renewable generation assets and that there could be a reduction in wholesale electricity prices (as a result of climate change or other factors).

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, interest and other directly attributable costs. 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. The main depreciation periods used by the Company are as set out below:

	<b>Years</b>
Wind power plants	24
Distribution facilities	24

**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 use the definition of a lease in IFRS 16 '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, 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 restore the underlying asset or the site on which it is located, less any lease incentives received.

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. The Company presents Right-of-use assets within Non-current assets in the Statement of financial position and the depreciation charge is recorded within Depreciation, amortisation and provisions in the Income statement and statement of comprehensive income.

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

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

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 the Income statement and statement of comprehensive income if the carrying amount of the right-of-use asset is zero.

The Company presents lease liabilities 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 and statement of comprehensive income.

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 intangibles, property, plant and equipment and leased assets 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 and statement of comprehensive income 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 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.

**D1 FINANCIAL ASSETS**

**D1.1 CLASSIFICATION**

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

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

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

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

## SCOTTISHPOWER RENEWABLES (WODS) LIMITED

### NOTES TO THE ACCOUNTS

31 December 2024

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

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.

#### D1.2 RECOGNITION AND MEASUREMENT

##### (a) Initial recognition and measurement

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

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue except trade receivables without a significant financing components which are measured at the transaction price determined under IFRS 15 'Revenue from Contracts with Customers' ("IFRS 15").

##### (b) Subsequent measurement and gains and losses

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

##### (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; there is no reasonable expectation of recovering all, or a portion of, the contractual cash flows.

#### D2 FINANCIAL LIABILITIES

##### D2.1 CLASSIFICATION

Financial liabilities are classified as measured at amortised cost.

##### D2.2 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 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 and statement of comprehensive income. Any gain or loss on derecognition is also recognised in the Income statement and statement of comprehensive income.

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 and statement of comprehensive income.

##### (c) Derecognition

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

#### E 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 and statement of comprehensive income. 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.

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

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

**F 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 is wholly attributable to the principal activity of the Company.

The supply of electricity is a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits of the Company's performance as it supplies electricity. Volume is used to measure progress towards complete satisfaction of the performance obligation as this represents the transfer of electricity to the customer. Revenue is therefore recognised based on the number of units supplied at the unit rate specified in the contract. Units are based on energy volumes that can be sold on the wholesale market and are recorded on wind farm meters and industry-wide trading and settlement systems.

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.

Other revenues are recognised based on the consideration specified in a contract with a customer, 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.

The Company recognises revenue either at a specific point in time or over a period of time based on when control is transferred to the customer based on the performance obligations in the contract.

**G PROCUREMENTS**

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

**H 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.

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 and statement of comprehensive income.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income statement and statement of comprehensive income.

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

**3 PROPERTY, PLANT AND EQUIPMENT**

**Movements in property, plant and equipment in use**

<b>Year ended 31 December 2024</b>	<b>Notes</b>	<b>Wind power plants £m</b>	<b>Distribution facilities £m</b>	<b>Other items of property, plant and equipment in use £m</b>	<b>Total £m</b>
<b>Cost:</b>					
At 1 January 2024		646.1	0.5	-	646.6
Additions		1.7	-	0.1	1.8
Reassessment of decommissioning asset		2.2	-	-	2.2
Disposals		(1.3)	-	-	(1.3)
<b>At 31 December 2024</b>	<b>(a)</b>	<b>648.7</b>	<b>0.5</b>	<b>0.1</b>	<b>649.3</b>
<b>Depreciation:</b>					
At 1 January 2024		258.1	0.1	-	258.2
Depreciation for the year		26.6	-	-	26.6
Disposals		(0.6)	-	-	(0.6)
<b>At 31 December 2024</b>		<b>284.1</b>	<b>0.1</b>	<b>-</b>	<b>284.2</b>
<b>Net book value:</b>					
<b>At 31 December 2024</b>		<b>364.6</b>	<b>0.4</b>	<b>0.1</b>	<b>365.1</b>
At 1 January 2024		388.0	0.4	-	388.4

(a) Included within the cost of property, plant and equipment is capitalised interest of £6.1m (2023 £6.1 million).

**4 LEASING**

The Company leases land. 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 (including seabeds) and for the assignment of rights to use land, primarily for operational assets, mainly a wind farm, with the terms running up to 23 to 26 years. Certain agreements can be terminated with appropriate notice, generally up to twelve months.

Some leases contain variable lease payments that are based on the output from the wind farm. These payment terms are common for this type of lease. The fixed annual payments for the year were £1 million compared to variable payments made of £0.5 million. The Company expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

*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.

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
**NOTES TO THE ACCOUNTS**  
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**4 LEASING** *continued*

**(b) Right-of-use assets**

	Notes	Land £m
<b>Year ended 31 December 2024</b>		
<b>Cost:</b>		
At 1 January 2024		13.3
Adjustments for changes in liabilities	(i)	0.5
<b>At 31 December 2024</b>		<b>13.8</b>
<b>Depreciation:</b>		
At 1 January 2024		3.0
Charge for the year		0.7
<b>At 31 December 2024</b>		<b>3.7</b>
<b>Net book value:</b>		
<b>At 31 December 2024</b>		<b>10.1</b>
At 1 January 2024		10.3

- (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**

The following table sets out a maturity analysis of non-derivative lease liabilities, showing the undiscounted payments to be made after the reporting date.

	2024 £m	2023 £m
Less than one year	2.2	2.0
One to five years	4.5	4.4
More than five years	10.1	10.8
<b>Total undiscounted lease liabilities at 31 December</b>	<b>16.8</b>	<b>17.2</b>
Finance cost	(4.4)	(4.8)
<b>Total discounted lease liabilities</b>	<b>12.4</b>	<b>12.4</b>

**Analysis of total lease liabilities**

Non-current	10.7	10.9
Current	1.7	1.5
<b>Total</b>	<b>12.4</b>	<b>12.4</b>

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 SPUK.

**(d) Amounts recognised in the Income statement and statement of comprehensive income**

	2024 £m	2023 £m
Interest on lease liabilities	(0.6)	(0.6)
Variable lease payments not included in the measurement of lease liabilities	(0.5)	(0.8)

**(e) Total cash outflow for leases**

	2024 £m	2023 £m
<b>Total cash outflow for leases</b>	<b>(1.5)</b>	<b>(1.7)</b>

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
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**5 INVESTMENT IN JOINT VENTURE**

Name	Principal activities	Registered office and country of incorporation	Equity interest in ordinary shares 2024	2023
<b>Joint ventures</b>				
Morecambe Wind Limited	Provision of operational services	England and Wales	50%	50%
(a) The carrying value of the investment in Morecambe Wind Limited, which the Company holds directly, is £3 (2023 £3).				
(b) The registered office of the joint venture is 5 Howick Place, London, SW1P 1WG, England.				

**6 TRADE AND OTHER RECEIVABLES**

	Notes	2024 £m	2023 £m
<b>Non-current:</b>			
Receivables due from related parties – loans	(a)	<b>87.1</b>	52.0
<b>Current:</b>			
Receivables due from related parties		93.3	100.8
Receivables due from related parties – interest		7.2	2.3
Trade receivables (including accrued income)		0.5	0.9
Prepayments		10.0	9.3
Other tax receivables		2.1	1.3
	(b)	<b>113.1</b>	114.6
(a) Loans due from Iberdrola Group companies at 31 December 2024 comprises on demand loans of £87.1 million (2023 £52.0 million) earning interest at the Bank of England Base Rate ("Base") plus 1%. The loans are repayable on demand but classified as non-current as the Company expects to realise the assets after twelve months from the reporting date.			
(b) Trade and other receivables include £92.7 million (2023 £100.5 million) of IFRS 15 receivables.			

**7 PROVISIONS**

	Decommissioning costs (Note (a)) £m
At 1 January 2023	34.3
Reassessment of decommissioning costs	(3.5)
Unwinding of discount	1.3
At 31 December 2023 and 1 January 2024	32.1
Reassessment of decommissioning costs	2.2
Unwinding of discount	1.4
<b>At 31 December 2024</b>	<b>35.7</b>
(a) The provision for decommissioning costs is the discounted future estimated costs of decommissioning the Company's wind farm. The decommissioning costs are expected to be utilised in 2038. There is significant estimation uncertainty in relation to this. Refer to Note 2 for further details.	

**8 LOANS AND OTHER BORROWINGS**

Instrument	Note	Interest rate	Maturity	2024		2023	
				Non-current £m	Current £m	Non-current £m	Current £m
Loans payable to related parties	(a)	3.1%	20 December 2027	<b>200.0</b>	-	200.0	-
Accrued interest due to related parties				-	<b>0.2</b>	-	0.2
				<b>200.0</b>	<b>0.2</b>	200.0	0.2

(a) Loans are repayable in full on maturity.

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
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**9 DEFERRED TAX**

	Notes	Property, plant and equipment £m
At 1 January 2023		66.3
Credit to the Income statement		(0.7)
At 31 December 2023 and 1 January 2024	(a)	65.6
Credit to the Income statement		(1.8)
<b>At 31 December 2024</b>	<b>(b)</b>	<b>63.8</b>

- (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 deferred tax balances at 31 December 2023 were provided at 25%, to reflect the rate that the temporary differences were expected to reverse at.
- (b) At 31 December 2024 the Company has unutilised capital losses of £4.6 million (2023 £4.6 million). No deferred tax asset has been recognised in the Accounts due to the unpredictability of suitable future profit streams against which these losses may be utilised.

**10 CURRENT TRADE AND OTHER PAYABLES**

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Payables due to related parties	3.9	3.7
Trade payables	9.6	8.2
Other payables	0.2	-
	<b>13.7</b>	<b>11.9</b>

**11 EMPLOYEE INFORMATION**

The Company has no employees (2023 nil). Details of directors' remuneration are set out in Note 20(b).

**12 TAXES OTHER THAN INCOME TAX**

	Note	<b>2024</b>	<b>2023</b>
		<b>£m</b>	<b>£m</b>
Property taxes		0.1	0.1
Electricity Generator Levy	(a)	21.5	10.3
		<b>21.6</b>	<b>10.4</b>

- (a) The Electricity Generator Levy is a temporary 45% charge on exceptional receipts generated from low-carbon UK power generation meeting certain conditions. The levy is in effect from 1 January 2023 to 31 March 2028.

**13 DEPRECIATION AND AMORTISATION CHARGE, ALLOWANCES AND PROVISIONS**

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Property, plant and equipment depreciation charge	26.6	26.8
Right-of-use asset depreciation charge	0.7	0.7
Intangible asset amortisation charge	0.1	-
Charges and provisions, allowances and impairment of assets	0.7	-
	<b>28.1</b>	<b>27.5</b>

**14 FINANCE INCOME**

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Interest receivable from related parties	7.2	2.3
Foreign exchange gains	0.1	0.1
	<b>7.3</b>	<b>2.4</b>

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
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**15 FINANCE COSTS**

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Interest on amounts due to related parties	6.1	6.1
Interest on other borrowings	0.2	-
Unwinding of discount on provisions	1.4	1.3
Interest on lease liabilities	0.6	0.6
	<b>8.3</b>	<b>8.0</b>

**16 INCOME TAX**

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Current tax:		
UK Corporation Tax for the year	40.9	28.6
Adjustments in respect of prior years	(0.1)	-
<b>Current tax for the year</b>	<b>40.8</b>	<b>28.6</b>
Deferred tax:		
Origination and reversal of temporary differences	(2.0)	(1.5)
Adjustments in respect of prior years	0.2	0.8
<b>Deferred tax for the year</b>	<b>(1.8)</b>	<b>(0.7)</b>
<b>Income tax for the year</b>	<b>39.0</b>	<b>27.9</b>

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

	<b>2024</b>	<b>2023</b>
	<b>£m</b>	<b>£m</b>
Corporation Tax at 25% (2023 23.5%)	32.8	24.0
Adjustments in respect of prior years	0.1	0.8
Non-deductible expenses and other permanent differences	6.1	3.1
<b>Income tax for the year</b>	<b>39.0</b>	<b>27.9</b>

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 deferred tax balances at 31 December 2023 were provided at 25%, to reflect the rate that the temporary differences were expected to reverse at.

**17 DIVIDENDS**

	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>pence per ordinary share</b>	<b>pence per ordinary share</b>	<b>£m</b>	<b>£m</b>
Interim dividend paid	<b>60.8</b>	35.6	<b>97.3</b>	57.0

**18 DEBT GUARANTEE**

As part of the exercise to achieve legal separation of the businesses of SPUK pursuant to the provision of the Utilities Act 2000, the Company and other subsidiary companies of SPUK provided guarantees to external lenders of SPUK for debt existing in that Company at 1 October 2001. The value of debt guaranteed by these companies, which was still outstanding at 31 December 2024 was £201.4 million (2023 £587.7 million).

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
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**19 FINANCIAL COMMITMENTS**

	2024	2023
	Other contractual commitments	Other contractual commitments
	£m	£m
Less than one year	9.7	9.5
One to two years	9.8	9.7
Two to three years	10.0	9.8
Three to four years	10.3	10.0
Four to five years	5.3	10.3
More than five years	-	5.3
	<b>45.1</b>	<b>54.6</b>

**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
	Joint ventures	Joint ventures
	£m	£m
<b>Types of transaction</b>		
Sales and rendering of services	<b>0.7</b>	2.5
Purchases and receipt of services	<b>(13.4)</b>	(14.5)
<b>Balances outstanding</b>		
Trade and other receivables	<b>1.1</b>	1.1
Trade and other payables	<b>(1.3)</b>	(1.3)

(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 Renewables production, it has not been possible to apportion the remuneration specifically in respect of services to the Company. All directors (2023 three) were remunerated by other companies within Renewables production during both years.

	2024	2023
	£000	£000
Aggregate remuneration in respect of qualifying services	<b>486</b>	800
Aggregate contributions payable to a defined contribution pension scheme	<b>2</b>	-

	2024	2023
Number of directors who exercised share options	<b>4</b>	3
Number of directors who received shares under a long-term incentive scheme	<b>3</b>	3
Number of directors accruing retirement benefits under a defined benefit scheme	<b>3</b>	3
Number of directors accruing retirement benefits under a defined contribution scheme	<b>1</b>	-

	2024	2023
<b>Highest paid director</b>	£000	£000
Aggregate remuneration	<b>227</b>	460
Accrued pension benefit	<b>149</b>	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.

**SCOTTISHPOWER RENEWABLES (WODS) LIMITED**  
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**20 RELATED PARTY TRANSACTIONS** *continued*

**(c) Immediate and ultimate parent company**

The immediate parent company is SPRUKL. The registered office of SPRUKL is The Soloist, 1 Lanyon Place, Belfast, BT1 3LP.

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 are consolidated is SPUK.

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 SPUK may be obtained from SPUK, at its registered office, 320 St. Vincent Street, Glasgow, G2 5AD.

**21 AUDITOR’S REMUNERATION**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Audit of the Annual accounts	<b>53</b>	<b>49</b>