

SP DATASERVE LIMITED
ANNUAL REPORT AND ACCOUNTS
for the year ended 31 December 2024

Registered No. SC215842

SP DATASERVE LIMITED
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for the year ended 31 December 2024

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SP DATASERVE LIMITED

STRATEGIC REPORT

The directors present their Strategic Report on SP Dataserve Limited ("the Company") for the year ended 31 December 2024. This includes an overview of the Company's structure, strategic outlook including 2024 performance, and principal risks and uncertainties.

INTRODUCTION

The principal activity of the Company, registered company number SC215842, is the provision of metering services. 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 Scottish Power Retail Holdings Limited ("SPRH"). Scottish Power Limited ("SPL") is the United Kingdom ("UK") holding company of the ScottishPower Limited Group ("ScottishPower") of which the Company is a member.

The Company is part of ScottishPower's Customer business. The Customer business is responsible for the supply of electricity and gas to domestic and business customers throughout the UK. The Customer business is also responsible for the associated metering activity, the smart meter installation programme and managing the smart solutions and green hydrogen activities.

STRATEGIC OUTLOOK

Operating review

The Company's principal operations have largely migrated from non-half-hourly domestic metering to Industrial and Commercial ("I&C") half-hourly and non-half-hourly automatic meter reading, in response to the move towards smart metering in the non-half-hourly domestic metering market.

2024 performance

	Revenue*		Operating profit*		Capital investment**	
	2024	2023	2024	2023	2024	2023
Financial key performance indicators	£000	£000	£000	£000	£000	£000
	12,780	14,823	4,837	5,104	235	445

*Revenue and Operating profit are presented on the Income statement and statement of comprehensive income on page 14.

**Capital investment for 2024 is presented within Notes 3 and 4 on page 22.

The Company's revenue decreased by £2,043,000 to £12,780,000 in 2024, principally due to a reduction in metering services (principally meter maintenance and communication services and meter revenue protection services) due to a reduced customer base and the discontinuation of ScottishPower internal contract management services and pricing changes.

The Company's operating profit decreased by £267,000 to £4,837,000 in 2024. This movement is primarily due to lower revenues and offset by lower staff and operating costs.

Capital investment decreased by £210,000 to £235,000 in 2024 reflecting the lower need for investment in metering equipment and computer software.

Outlook for 2025 and beyond

The Company will be focusing on I&C metering contracts going forward. The expectation is that these contracts will continue to be cash-generating and profitable, and the Company remains in a strong position for 2025 and beyond, with stable operations and a clear path for delivery of commercial metering services.

The shareholders of the Company are considering the sale of the Company, and the intentions of any potential acquirer are not certain. The directors are therefore unable to assess or control all scenarios for the Company's future. As set out in Note 1B2, although this indicates a material uncertainty which may cast a significant doubt on the Company's ability to continue as a going concern, the financial statements have been prepared on a going concern basis.

Exit from I & C energy supply market

ScottishPower Energy Retail Limited ("SPERL") (a fellow ScottishPower Group company within the Customer business), is moving towards fully exiting the I&C energy supply market. Whilst the supply of electricity to these I&C customers is not contractually linked to the Company's operations, certain revenue streams are inherently connected. For example, some metering and data collection income is recovered from customers through the supplier and consequently, some of this revenue may be at risk. This exposure is expected to be relatively low. There is also a reasonable likelihood that the Company's services will be retained by the new supplier given some of the metering equipment on-site is owned by the Company. In the event of de-appointment by the supplier, income will still be received for the use of metering assets until such times as the new meter operator installs their own equipment.

SP DATASERVE LIMITED
STRATEGIC REPORT *continued*

STRATEGIC OUTLOOK *continued*

Financial instruments

In the current year, the Company's financial instruments include trade and other receivables and trade and other payables. The Company has exposure to credit risk and treasury risk (comprising liquidity risk) arising from these financial instruments.

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

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 Scottish Power UK plc ("SPUK").

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 on pages 2 to 4.

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.	<p>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 Company has specific procedures in place to manage these key market risks.</p> <p>The Company adheres to a ScottishPower treasury risk management policy to mitigate financial risks which is discussed further within the 'Financial instruments' section on page 2.</p>

SP DATASERVE LIMITED
STRATEGIC REPORT *continued*

PRINCIPAL RISKS AND UNCERTAINTIES *continued*

DEBT	
RISK	RESPONSE
Increase in the level of overdue debt impacting on the level of debt write-off required.	There are measures in place across the Customer business, and so the Company's business, to manage the key drivers of overdue debt, assess and implement remedial and preventative action, and to establish key metrics to monitor progress in reducing debt levels.

ALTERNATIVE INCOME STREAMS	
RISK	RESPONSE
Alternative income streams are not sufficient to offset the expected reduction in legacy metering income streams following the introduction of the UK Government's smart metering programme.	Reducing the operational resource and associated costs where no longer needed and continuing to focus activities on more enduring functions.

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 and responding to the risks and opportunities of climate change by:</p> <ul style="list-style-type: none"> • reducing emissions to air, land and water and preventing environmental harm; • identifying and managing climate risks and opportunities, and implementing adaptation measures where required; • minimising energy consumption and use of natural and human-made resources; and • sourcing material resources responsibly, cutting waste and encouraging reuse and recycling.

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 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.

SP DATASERVE 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 people, processes, and technologies to enhance its capabilities to prevent, detect and respond to security threats.</p> <p>The main risks are the confidentiality, integrity, and availability of key information assets as well as other cyber security risks impacting reputation.</p>	<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 a Business Information Security Officer for the division.</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, of which the Company is a part, 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>

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

Key stakeholders

The Company has five key stakeholder categories: people, customers, government and regulators, suppliers and contractors, and community and environment. Behind these stakeholders are many people, 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 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.

PEOPLE

As at 31 December 2024, the Company had 66 employees, working across a range of roles. These employees make a real difference in determining how successfully the Company operates. The commitment to customer experience and innovation 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 an inclusive and diverse culture.

SP DATASERVE LIMITED

STRATEGIC REPORT *continued*

ENGAGING WITH STAKEHOLDERS *continued*

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, 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 SPUK:

- employment regulation;
- 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 provides metering services to I&C customers. The Company's success depends on its ability to understand and meet the needs of customers, and engagement is key to its success in this rapidly changing environment. The Company's customers include other ScottishPower companies as well as external parties.

The Company's larger customers are account-managed involving regular direct contact to ensure the services provided are in line with contractual agreements. For these customers, the Company has an accessible help desk and digital solutions to respond to specific queries.

GOVERNMENT AND REGULATORS

Governments and regulators play a central role in shaping the energy sector. ScottishPower, and so the Company 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.

The Company is subject to regulatory guidelines put in place by Ofgem, Elexon and Xoserve (who administer and implement the Balancing and Settlement Code) and adhere to the additional guidelines now governed by the Consolidated Metering Code of Practice ("CoMCoP"). The Company uses the regulatory mechanisms in place across ScottishPower to interact with the UK Government and these regulatory bodies will liaise directly with Meter Operations (which manages Meter Operation Code of Practice ("MOCOP")) for any specific discussion points.

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 the Company has a range of policies that all suppliers must adhere to, including the ScottishPower Code of Conduct for Suppliers.

SP DATASERVE LIMITED

STRATEGIC REPORT *continued*

ENGAGING WITH STAKEHOLDERS *continued*

COMMUNITY AND ENVIRONMENT

The Company continually strives to be a trusted, respected and integrated part of the community, by operating with integrity, transparency, and working closely within the community to build relationships. The Company is committed to being a good neighbour throughout all of 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 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, and implementing adaption measures where required;
- minimising energy consumption and use of natural and human-made resources; and
- sourcing material resources responsibly cutting waste and encouraging reuse and recycling.

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 SP Dataserve 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 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 strongly believe that effective and meaningful engagement with stakeholders and employees is key to promoting the success of the Company. Details of the key stakeholders of the Company, and how it engages with them are as follows:

- **People:** details of how the Company engages with its employees are set out in the 'People' section of the Strategic Report, on pages 4 and 5. During 2024, the Board acknowledged that its employees' commitment to customer experience and innovation enables the Company to operate effectively in a competitive market.
- **Customers:** details of how the Company engages with its customers are explained in the 'Customers' section of the Strategic Report, on page 5. During 2024, the Board noted that the Company had made an accessible help desk and digital solutions available to its larger customers to respond to specific queries.
- **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 5. During 2024, the Board acknowledged that the Company uses the regulatory mechanisms in place across ScottishPower to interact with the UK Government which would liaise directly with Meter Operations (which manages the Meter Operation Code of Practice) for any specific discussion points.
- **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 5. During 2024, the Board acknowledged that the Company aims to develop and maintain strong relationships across its supply base with a focus on health and safety, quality, cost and sustainability.
- **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 page 6. During 2024, the Board acknowledged that the Company continually strives to be a trusted, respected and integrated part of the community and is committed to reducing its environmental footprint.

SP DATASERVE LIMITED
STRATEGIC REPORT *continued*

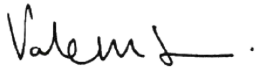
SECTION 172 STATEMENT *continued*

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

The directors, both individually and together as the 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.

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

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'Valerie Sim', followed by a period.

Valerie Sim
Director
21 July 2025

SP DATASERVE 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 7.

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

RESULTS AND DIVIDEND

The net profit for the year was £4,967,000 (2023 £5,045,000). No dividend was paid during year (2023 £4,400,000).

DIRECTORS

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

Stuart Reid
Valerie Sim

As at the date of this report, there have been no changes to the composition of the Board since the 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 the 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 a 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.

SP DATASERVE LIMITED
DIRECTORS' REPORT *continued*

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

Disclosure of information to auditor

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

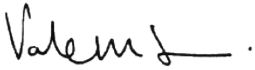
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor 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 auditor of the Company for the year ending 31 December 2025.

ON BEHALF OF THE BOARD



Valerie Sim
Director
21 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SP DATASERVE LIMITED

Opinion

We have audited the financial statements of SP Dataserve 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.

Material uncertainty related to going concern

We draw attention to note 1B2 to the financial statements which indicates that the Company's ability to continue as a going concern is dependent on continued financial support from its intermediate parent company and the outcome of its potential sale, which might result in a change in the ownership of the Company. These events and conditions, along with the other matters explained in note 1B2, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern basis of preparation

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Our conclusion is based on our financial statements audit work: we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

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 performed 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, the Company's revenues consist 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SP DATASERVE LIMITED *continued*

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

- 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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SP DATASERVE LIMITED *continued*

Directors' responsibilities

As explained more fully in their statement set out on pages 8 to 9, 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.

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

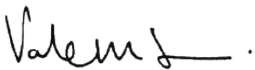
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23 July 2025

SP DATASERVE LIMITED
STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Notes	2024 £000	2023 £000
NON-CURRENT ASSETS			
Intangible assets	3	30	53
Property, plant and equipment	4	1,777	1,895
Right-of-use assets	5	42	447
Trade and other receivables	6	30,578	25,750
		32,427	28,145
CURRENT ASSETS			
Trade and other receivables	6	4,082	4,332
		4,082	4,332
TOTAL ASSETS		36,509	32,477
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT			
Share capital		17,608	17,608
Retained earnings		14,713	9,746
TOTAL EQUITY		32,321	27,354
NON-CURRENT LIABILITIES			
Provisions		2	-
Other financial liabilities		6	29
Lease liabilities	5	7	241
Deferred tax liabilities	7	134	24
		149	294
CURRENT LIABILITIES			
Provisions		-	2
Other financial liabilities		13	14
Lease liabilities	5	231	385
Trade and other payables	8	2,164	2,867
Current tax liabilities		1,631	1,561
		4,039	4,829
TOTAL LIABILITIES		4,188	5,123
TOTAL EQUITY AND LIABILITIES		36,509	32,477

Approved by the Board and signed on its behalf on 21 July 2025.



Valerie Sim
Director

The accompanying Notes 1 to 18 are an integral part of the Statement of financial position as at 31 December 2024.

SP DATASERVE LIMITED
INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

		2024	2023
	Notes	£000	£000
Revenue	9	12,780	14,823
GROSS MARGIN		12,780	14,823
Staff costs	10	(3,985)	(4,251)
External services		(3,030)	(4,293)
Other operating results		-	(1)
Net operating costs		(7,015)	(8,545)
Taxes other than income tax		(2)	(2)
GROSS OPERATING PROFIT		5,763	6,276
Net expected credit losses on trade and other receivables		(161)	(254)
Depreciation and amortisation charge, allowances and provisions	11	(765)	(918)
OPERATING PROFIT		4,837	5,104
Finance income	12	1,823	1,531
Finance costs	13	(29)	(32)
PROFIT BEFORE TAX		6,631	6,603
Income tax	14	(1,664)	(1,558)
NET PROFIT FOR THE YEAR		4,967	5,045

Net profit for both years comprises total comprehensive income.

Net profit for both years is wholly attributable to the equity holder of SP Dataserve Limited.

All results relate to continuing operations.

The accompanying Notes 1 to 18 are an integral part of the Income statement and statement of comprehensive income for the year ended 31 December 2024.

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

	Share capital (Note (a)) £000	Retained earnings (Note (b)) £000	Total £000
At 1 January 2023	17,608	9,101	26,709
Profit for the year attributable to the equity holder of the Company	-	5,045	5,045
Dividends	-	(4,400)	(4,400)
At 1 January 2024	17,608	9,746	27,354
Profit for the year attributable to the equity holder of the Company	-	4,967	4,967
At 31 December 2024	17,608	14,713	32,321

- (a) At 31 December 2024, the Company had 17,608,000 allotted, called up and fully paid ordinary shares of £1 each (2023 17,608,000). 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 statements as adjusted for transactions with shareholders, principally dividends.

The accompanying Notes 1 to 18 are an integral part of the Statement of changes in equity for the year ended 31 December 2024.

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS
31 December 2024

1 BASIS OF PREPARATION

A COMPANY INFORMATION

SP Dataserve Limited, registered company number SC215842, is a private company limited by shares. It is incorporated in Scotland and its registered office 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 rounded to the nearest 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 intangible assets, 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
- 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 to undertake the provision of metering services within the group headed by Scottish Power 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 flow forecasts, on which the directors of the SPUK Group have performed an assessment of reasonably possible downsides.

The Company's directors have performed a going concern assessment which indicates that, in reasonably possible downsides 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. The directors note that 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. Given the existence of this cash pooling arrangement the directors consider that support is required from SPUK to enable the Company to meet its liabilities as they fall due within the going concern assessment period.

The shareholders of the Company are, also considering the sale of the Company, and while it is expected that any new potential shareholder will continue to run the Company as a going concern, the intentions of any potential acquirer are not certain. The directors are, therefore, unable to assess or control all scenarios for the Company's future, including its funding and possible structure after a potential sale is completed. This gives rise to a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

In the event there is no sale, SPUK has indicated its intention to continue to make available such funds as are 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.

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

1 BASIS OF PREPARATION *continued*

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. However, the potential sale of the business indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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 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 Company has no such judgements and estimation uncertainties.

NON-SIGNIFICANT ESTIMATION UNCERTAINTIES AND JUDGEMENTS POLICIES

Expected Credit Losses

At 31 December 2024, there was estimation uncertainty in relation to Expected Credit Losses ("ECLs") on trade receivables and accrued income (refer to Note 2F1.2(d) and Note 6 for further details).

Consideration of climate change

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

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 INTANGIBLE ASSETS

The costs of acquired computer software, such as licences, that are expected to generate economic benefits over a period in excess of one year, are capitalised on the basis of the costs incurred to acquire, and bring to use, the specific software. Amortisation of acquired computer software costs is on a straight-line basis over their operational lives, which is generally up to five years. Maintenance costs are expensed as incurred.

B PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost and is 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

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

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

depreciation 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:

Smart meters and measuring devices			10
Other facilities	4	-	40

C 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, 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 other comprehensive income.

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 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.

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

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

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.

D IMPAIRMENT OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND LEASED ASSETS

At each reporting date, the Company reviews the carrying amount of its intangible assets, 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.

E RETIREMENT BENEFITS

ScottishPower operates two defined benefit schemes and one defined contribution retirement benefit scheme in the UK. SP Dataserve 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 and statement of comprehensive income in respect of pension costs is the contributions payable in the year.

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 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.

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.

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

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

F1.2 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.

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.

(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 ECLs. Interest income, foreign exchange gains, and net credit losses are recognised in the Income statement and statement of other comprehensive income. Any gain or loss on derecognition is also recognised in the Income statement and statement of other 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 or there is no reasonable expectation of recovering all, or a portion of, the contractual cash flows.

(d) Impairment of financial assets

(i) Measurement of ECLs

Disclosures relating to impairment of financial assets are provided in Note 6. The Company recognises an allowance for ECLs for all financial assets. ECLs are a probability-weighted estimate of credit losses. The Company has adopted the simplified ECL model for its trade receivables and the general ECL model for all other financial assets measured at amortised cost.

In applying the simplified model, loss allowances for trade receivables are measured at an amount equal to a lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for, where possible, forward-looking factors specific to the debtors and the economic environment in which they operate. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and those the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs for all other financial assets are recognised using the general model which works as follows:

- for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses resulting from default events that are considered possible within the shorter of the next twelve months and the life of the financial asset (a twelve-month ECL); and
- for credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

As an exception to the general model, if the credit risk of a financial instrument is low at the reporting date, management can measure impairment using a twelve-month ECL and so it does not have to assess whether a significant increase in credit risk has occurred. For this operational simplification to apply, the financial instrument has to meet the following requirements:

- it has a low risk of default;
- the borrower is considered, in the short-term, to have a strong capacity to meet its obligations; and
- the lender expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfil its obligations.

The Company considers financial assets to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be BBB- or higher per rating agency S&P Global Ratings. Therefore, all of the Company's other financial assets are considered to have low credit risk at both the beginning and end of the reporting period.

The Company has different definitions of default (risk of non-payment) for different groups of customers and receivables. For some groups it is based upon the number of days past due and for others it is when internal or external information

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

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

indicates that the Company is unlikely to receive the outstanding contractual amount in full (before taking into account any credit enhancements held by the Company). These varying definitions of default are inherent in the loss allowances applied in both the simplified and general ECL models.

(ii) Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are 'credit-impaired'. This is the case when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Generally, receivables are credit-impaired when payment is past the contractual payment date.

F2 FINANCIAL LIABILITIES

F2.1 CLASSIFICATION

Financial liabilities are classified as measured amortised cost.

F2.2 RECOGNITION AND MEASUREMENT

(a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of 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 are recognised in the Income statement and statement of other comprehensive income. Any gain or loss on derecognition is also recognised in the Income statement and statement of other comprehensive income. This is the category most relevant to the Company as it includes trade and other payables.

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 other 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 other comprehensive income.

G 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.

Metering services consist of meter maintenance and communication services, meter revenue protection services and the provision of meters to customers. These are performance obligations satisfied over time as the customer benefits from the services as they are provided. 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, revenue is recognised in the amount to which the Company has a right to invoice based on the agreed contractual rates. Amounts in contract liabilities consist of invoices issued in advance of the service being provided. The installation of a meter is a performance obligation satisfied at a point in time. Revenue is recognised at the point the customer obtains control of the meter, which is when installation is completed, at the unit rate specified in the contract.

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

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

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

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 other 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 other comprehensive income consistent with the transactions that generated the distributable profits.

3 INTANGIBLE ASSETS

	Computer software £000
Year ended 31 December 2024	
Cost:	
At 1 January 2024	71
Additions	1
At 31 December 2024	72
Amortisation:	
At 1 January 2024	18
Amortisation for the year	24
At 31 December 2024	42
Net book value:	
At 31 December 2024	30
At 1 January 2024	53

4 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in property, plant and equipment in use

	Meters and measuring devices £000	Other items of property, plant and equipment in use (Note (a)) £000	Total £000
Year ended 31 December 2024			
Cost:			
At 1 January 2024	4,203	561	4,764
Additions	234	-	234
Disposals	(164)	(89)	(253)
At 31 December 2024	4,273	472	4,745
Depreciation:			
At 1 January 2024	2,515	354	2,869
Depreciation for the year	324	17	341
Disposals	(161)	(81)	(242)
At 31 December 2024	2,678	290	2,968
Net book value:			
At 31 December 2024	1,595	182	1,777
At 1 January 2024	1,688	207	1,895

(a) Other items of property, plant and equipment principally comprises buildings and fixtures and fittings.

(b) The cost of fully depreciated property, plant and equipment still in use at 31 December 2024 was £1,224,000 (2023 £783,000).

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

5 LEASING

The Company primarily leases vehicles. Information about the principal leases for which the Company is a lessee is presented below.

(a) Nature of leases

The Company leases vehicles with lease terms of between six and seven years, primarily being pool vehicles to mobilise its operational staff. Agreements cannot be terminated. 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.

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

	Vehicles £000	Other £000	Total £000
Year ended 31 December 2024			
Cost:			
At 1 January 2024	2,216	33	2,249
Adjustments for changes in liabilities	(24)	9	(15)
Disposals	(110)	-	(110)
At 31 December 2024	2,082	42	2,124
Depreciation:			
At 1 January 2024	1,771	31	1,802
Charge for the year	384	6	390
Disposals	(110)	-	(110)
At 31 December 2024	2,045	37	2,082
Net book value:			
At 31 December 2024	37	5	42
At 1 January 2024	445	2	447

- (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 £000	2023 £000
Less than one year	232	405
One to five years	8	254
Total undiscounted lease liabilities at 31 December	240	659
Finance cost	(2)	(33)
Total discounted lease liabilities	238	626
Analysis of total lease liabilities		
Non-current	7	241
Current	231	385
Total	238	626

Details of Scottish Power'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.

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NOTES TO THE ACCOUNTS *continued*
31 December 2024

5 LEASING *continued*

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

	2024	2023
	£000	£000
Interest on lease liabilities	(26)	(28)
Expenses relating to short-term leases	-	(6)

(e) Total cash outflow for leases

	2024	2023
	£000	£000
Total cash outflow for leases	(396)	(364)

6 TRADE AND OTHER RECEIVABLES

	2024	2023
	£000	£000
	Notes	
Non-current:		
Receivables due from related parties - loans	(a), (b)	30,578
		25,750
Current:		
Receivables due from related parties		140
		-
Receivables due from related parties – loans	(a), (b)	96
		496
Receivables due from related parties – interest		1,794
		1,531
Trade receivables (including accrued income)	(c)	2,052
		2,305
	(d)	4,082
		4,332

- (a) Loans due from related parties are receivable on demand with interest earned at Base plus 1%. The loan is repayable on demand but a portion is classified as non-current as the Company expects to realise some of the assets after twelve months from the reporting date.
- (b) ECLs on loan receivables due from related parties companies are £4,000 (2023 £4,000).
- (c) The gross carrying amount of Trade receivables (including accrued income) is £3,282,000 (2023 £3,483,000). The ECL is £1,230,000 (2023 £1,178,000) giving a weighted average loss rate of 37.5% (2023 33.8%). Net ECLs on trade receivables per the Income statement and statement of comprehensive income consists of ECLs of £52,000 (2023 £255,000) and £109,000 of bad debt write offs (2023 £(1,000)). The actual level of trade receivables and accrued income collected may differ from the estimated levels of recovery, which could impact Operating profit positively or negatively. Based on the weighted average loss rate of 37.5%, a 5% increase in the overall expected loss rate would result in an increase to the ECL of £164,000. A 5% decrease would result in a decrease to the ECL of £164,000.
- (d) The following table provides information about IFRS 15 contract balances included within Trade and other receivables.

	2024	2023
	£000	£000
IFRS 15 Receivables	1,697	2,053

- (i) £131,000 (2023 £226,000) of impairment losses were recognised during the year on IFRS 15 Receivables arising from the Company's contracts with customers.

7 DEFERRED TAX

Deferred tax recognised in the Accounts is as follows:

	Property, plant and equipment	Other temporary differences	Total
	£000	£000	£000
	Note		
At 1 January 2023	(41)	(54)	(95)
Charge to the Income statement and statement of comprehensive income	73	46	119
At 31 December 2023 and 1 January 2024	(a)	32	(8)
		106	4
Charge to the Income statement and statement of comprehensive income			110
At 31 December 2024		138	(4)
			134

- (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 were expected to reverse at.

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

8 CURRENT TRADE AND OTHER PAYABLES

		2024	2023
	Note	£000	£000
Payables due to related parties		19	-
Trade payables		746	1,222
Other taxes and social security		296	304
Payments received on account	(a)	984	1,104
Capital payables and accruals		38	140
Other payables		81	97
		2,164	2,867

(a) Trade and other payables include £984,000 (2023 £1,104,000) of IFRS 15 contract liabilities. The amount of contract liabilities recognised as income in the year is £1,104,000 (2023 £1,006,000).

9 REVENUE

Disaggregation of revenue

	2024	2023
	£000	£000
Meter maintenance and communication services	8,703	9,792
Meter revenue protection services	3,385	4,222
Meter installation	25	89
Meter provision	667	720
	12,780	14,823

Revenue recognition accounting policies for the above disclosed revenue streams are disclosed at Note 2G. All revenue arises from operations within the UK.

10 EMPLOYEE INFORMATION

(a) Staff costs

	2024	2023
	£000	£000
Wages and salaries	2,716	3,072
Social security costs	251	277
Pension and other costs	1,018	902
	3,985	4,251

(b) Employee numbers

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

	2024	2023
Administrative	1	-
Operations	80	95
	81	95

(c) Retirement benefits

The Company's contributions payable in the year were £534,000 (2023 £573,000). 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 £124 million). The employer contribution rate for these schemes in the year ended 31 December 2024 was 52.9% - 53.4%.

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NOTES TO THE ACCOUNTS *continued*
31 December 2024

11 DEPRECIATION AND AMORTISATION CHARGE, ALLOWANCES AND PROVISIONS

	2024	2023
	£000	£000
Property, plant and equipment depreciation charge	341	381
Right-of-use asset depreciation charge	390	512
Intangible asset amortisation charge	24	25
Charges and provisions, allowances and impairment of assets	10	-
	765	918

12 FINANCE INCOME

	2024	2023
	£000	£000
Interest receivable from related parties	1,821	1,531
Foreign exchange gains	2	-
	1,823	1,531

13 FINANCE COSTS

	2024	2023
	£000	£000
Net impairment of financing and investment instruments	1	2
Unwinding of discount on software licence liabilities	2	2
Interest on lease liabilities	26	28
	29	32

14 INCOME TAX

	2024	2023
	£000	£000
Current tax:		
UK Corporation Tax for the year	1,631	1,561
Adjustments in respect of prior years	(77)	(122)
Current tax for the year	1,554	1,439
Deferred tax:		
Origination and reversal of temporary differences	29	(8)
Adjustments in respect of prior years	81	127
Deferred tax for the year	110	119
Income tax for the year	1,664	1,558

The tax expense on profit varied from the standard rate of UK Corporation Tax as follows:

	2024	2023
	£000	£000
Corporation Tax at 25% (2023 23.5%)	1,658	1,552
Adjustments in respect of prior years	4	5
Non-deductible expenses and other permanent differences	2	1
Income tax for the year	1,664	1,558

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 were expected to reverse at.

15 DIVIDENDS

	2024	2023	2024	2023
	pence per ordinary share	pence per ordinary share	£000	£000
Interim dividend paid	-	25.0	-	4,400

SP DATASERVE LIMITED
NOTES TO THE ACCOUNTS *continued*
31 December 2024

16 COMMITMENTS

The Company had £386,000 (2023 £123,000) of contractual commitments at 31 December 2024 expected to be settled within one year in both the current and prior year.

17 RELATED PARTY TRANSACTIONS

(a) Directors' remuneration

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

	2024	2023
	£000	£000
Aggregate remuneration in respect of qualifying services	416	492
Aggregate contributions payable to a defined contribution pension scheme	-	8

	2024	2023
Number of directors who exercised share options	2	3
Number of directors who received shares under a long-term incentive scheme	1	2
Number of directors accruing retirement benefits under a defined benefit scheme	2	2
Number of directors accruing retirement benefits under a defined contribution scheme	-	1

	2024	2023
Highest paid director	£000	£000
Aggregate remuneration	216	226
Accrued pension benefit	53	49

(i) The highest paid director exercised share options during both years.

(b) Immediate and ultimate parent company

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

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

Copies of the consolidated accounts of Iberdrola, S.A. 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 its registered office, 320 St. Vincent Street, Glasgow, G2 5AD.

18 AUDITOR'S REMUNERATION

	2024	2023
	£000	£000
Audit of the Annual accounts	26	24