

Charity registration number SC043862 (Scotland)

Company registration number SC445116 (Scotland)

SCOTTISH POWER FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

SCOTTISH POWER FOUNDATION

CONTENTS

	Page
Legal and administrative information	1
Trustees' report	2 - 6
Independent auditor's report	7 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 19

SCOTTISH POWER FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Melanie Hill (Executive, Member Director) Keith Anderson (Member Director) Anita Longley (Chair and Independent Director) Louise Smith (Independent Director) Janette Harkess (Independent Director) Prof. Sarah Skerratt (Independent Director)
Secretary	Lowri Martin
Charity number (Scotland)	SC043862
Company number	SC445116
Registered office	320 St Vincent Street Glasgow Scotland G2 5AD
Auditor	Consilium Audit Limited 169 West George Street Glasgow Scotland G2 2LB
Bankers	Triodos Bank Deanery Road Bristol UK BS1 5AS
Solicitors	Burness Paull LLP 31 York Street Glasgow Scotland G2 8AS

SCOTTISH POWER FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2025

The Trustees present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Directors and Trustees

The directors of the Foundation are its Trustees for the purpose of charity law and throughout this report are collectively referred to as "the Trustees" or "the Board".

The Trustees who served during 2025 were as follows:

Melanie Hill (Executive, Member Director)
Keith Anderson (Member Director)
Anita Longley (Chair and Independent Director)
Louise Smith (Independent Director)
Janette Harkess (Independent Director)
Prof. Sarah Skerratt (Independent Director)

Structure, governance and management

Governance Framework

The Foundation is a registered Scottish Charity (SC043862) and is a company limited by guarantee (Registered Company No: SC445116) incorporated in Scotland on 14 March 2013. The sole member of the Foundation is Scottish Power Limited ("ScottishPower"). In accordance with its Articles of Association adopted on 24 December 2018 (the "Articles"), the Foundation's objects are specifically restricted to charitable purposes. The Foundation considers applications for funding for registered charities under five key categories, which align with its charitable purposes under its Articles, as follows:

- the advancement of education.
- the advancement of environmental protection.
- the advancement of the arts, heritage, culture or science.
- the prevention or relief of poverty and the relief of those in need by reason of disability or other disadvantage.
- the advancement of citizenship and community development.

In addition to the Articles, the Foundation is internally governed by its Good Governance Code originally approved by the Board on 26 September 2018 and updated 11 June 2024. The Code interprets and further complements the Articles in accordance with generally recognised principles and values in the charities sector. The Good Governance Code serves as a guide for the Trustees and other personnel providing their services at the Foundation to carry out their activities in conformance with such principles and values.

In addition to the Articles and Good Governance Code referred to above, the Foundation's governance framework also principally includes its Compliance Regulations, its Anti-Bribery and Corruption Policy, its Code of Ethics, its Data Protection Policy and its Safeguarding Policy. All of these documents are publicly available on the website at www.scottishpowerfoundation.com.

SCOTTISH POWER FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Recruitment and Appointment of Trustees

The Articles provide that there be a minimum of three and a maximum of seven Trustees, and provide for the following classes of Trustees: Member Trustees (employees of ScottishPower who are appointed by it as the Foundation's sole member); Independent Trustees, and an Executive Trustee. The Articles stipulate that Independent Trustees should always outnumber Member Trustees (the latter of which should not exceed two in number).

Following their appointment, which process has regard to the guidance of a Nominations Committee established for such purpose under the Articles, an Independent Trustee will hold the position for an initial term of four years, after which they may be re-elected to one more period of four years. Trustees' positions are held by individuals who are well-known at the domestic or international level in the various areas covered by the Foundation's purposes, taking into account the geographic diversity in which it carries out its activities.

The Secretary to the Foundation is appointed by the Trustees on such terms as the Board might specify.

The current composition of the Board is listed in page 1 above, together with each Trustee's classification and position. As regards the Member Trustees, Keith Anderson was appointed to the Board on 14 March 2013, and Melanie Hill (acting also as Executive Trustee) was appointed on 19 September 2019. In relation to Independent Trustees - Anita Longley was re-appointed as Independent Trustee for a further four-year term and was appointed Chair on 21 March 2023. Louise Smith was appointed as Independent Trustee on 5 January 2022. On 31 August 2023 Janette Harkess and Prof Sarah Skerratt were appointed as Independent Trustees.

Additionally, on 7 June 2023 Stephen Giannini was appointed as Compliance Officer to the Foundation and on 24 August 2023 Lowri Martin was appointed Secretary to the Foundation.

Trustee Induction and Training

New Trustees are provided with an induction pack which includes, in addition to information on the Foundation's governance framework, various training presentations prepared by external legal advisors, as well as various best practice documentation published by the Scottish Charity Regulator (OSCR). This information includes details of each Trustee's duties as a charity trustee, their obligations and how they need to remain independent. Regular training is provided to the Trustees in relation to governance matters, and additional training is provided from time to time as required. A skills and experience audit of Trustees is carried out at least every three years.

Trustees are provided with background and information on the Foundation including previous Board minutes, contact details for all other current Trustees and a list of currently funded projects. They are also directed to the Foundation website itself which details how applicants can apply for funding and are provided with detailed information for all projects that are currently being funded.

Risk Management

The Trustees give due consideration to risks faced by the Foundation at their regular Trustee meetings, including issues in relation to Foundation funding. A Risk Register is maintained outlining the principal risks faced by the Foundation and the steps taken to mitigate them. The Risk Register is regularly reviewed by the Trustees and updated as required.

Trustees are aware, and regularly reminded, of their duty to keep their Register of Interests updated.

SCOTTISH POWER FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Proceedings of the Board

The Foundation is administered and managed by the Trustees, who principally make their decision-making at meetings of the Board. Proceedings of the Board, which are conducted by the Chair, are governed in accordance with the Articles.

The Board of Trustees meets at least three times per year. The first meeting normally takes place within the first six months and is held for the purpose of, among other things, approving the annual financial statements. Another meeting shall be held during the last third or quarter of the year to approve the plan of activities for the next financial year.

Meeting agendas are circulated sufficiently in advance to allow all matters arising to be discussed at the Board. Out with scheduled Board meetings, Trustees may also dispense with discrete urgent matters by way of written resolution in accordance with the Articles.

Related Parties

The entities below are those that were related to the Foundation during 2025, primarily through the attachment of Trustees to the entities in question:

Corporate Responsibility Group Ltd
Dnata Catering UK Limited
Edinburgh Children's Hospital
Edie Awards (Judge)
Enrich the Earth
Food, Farming and Countryside Commission
Iberdrola and all subsidiary companies
Iberdrola Foundation
Institute of Corporate Responsibility and Sustainability
Investors in People
New Brewery Art Cirencester
New Zealand Trade and Enterprise
Royal Conservatoire of Scotland
Royal Society of Edinburgh
Scottish Consortium for Rural Research
Scottish Grantmakers
Wasps Studios
Wheatley Group

Independence

In accordance with its governance framework, and applicable laws and regulations, the Foundation is directly funded by contributions from its sole member, ScottishPower; however, decisions to award funding are made independently by the Foundation's Board of Trustees.

The Foundation is one of a number of foundations established by or connected to the global Iberdrola, S.A. group ("Iberdrola"), of which ScottishPower is a member. and The Foundation has regard to the Iberdrola Foundations Committee's issuance of Master Plan (currently for 2022-2025) which serves as a guide for all of the foundations associated with and funded by Iberdrola to prioritise and align actions of common interest, whilst taking into account the individual requirements of each country. It places a particular emphasis on contributing towards the UN Sustainable Development Goals (SDGs). Having regard to this framework, the Foundation prepares an annual plan, setting out its budget, annual funding programme and indicators for evaluating success.

SCOTTISH POWER FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Achievements and performance

The Foundation continued its support for The Big Rock Pool Challenge for a second year. The project, delivered in partnership by Marine Biological Association and The Rock Pool Project will receive up to £600,000 over a three year period. The initiative focuses on UK coastal wildlife conservation and the management of non-native species. Through community engagement and an innovative 'bioblitz battle activity' approach, the project will enhance marine species monitoring at locations across the country.

In 2025, the Foundation awarded funding of over £1.2 million through its Annual Grants programme to 20 registered charities to support their work in the UK. In the northwest of Scotland, the Hebridean Whale & Dolphin Trust is bringing floating classrooms to schools in the Highlands and Outer Hebrides, inspiring young people to protect our seas. Across Scotland's coastline, the Marine Conservation Society is mobilising communities to tackle plastic pollution and safeguard marine wildlife. Streetwise Opera is using music to empower people affected by homelessness in London, Manchester and Nottingham - through creative workshops and performances that build confidence and skills, while challenging societal perceptions. The Oswin Project is helping ex-offenders rebuild their lives through its innovative bakery programme in Northumberland, while Moving Parts Arts in Newcastle is using puppetry to explore cultural identity and wellbeing.

The annual ScottishPower Foundation Awards ceremony was held on 3 November 2025. Fourteen shortlisted charities competed for a share of the £60,000 prize fund, with winners of each award receiving £10,000 for their charities to further their essential efforts, and runners-up awarded £5,000. There are four award categories including the Charity Champion Award, which gives special recognition to individuals supporting the charitable sector for their personal dedication.

Following a competitive application process for funding, 15 applicants to the Annual Grants programme were shortlisted by the Board of Trustees in November 2025 and are intended to be awarded funding for projects to be delivered in 2026 subject to budget and contract.

In addition, the Board of Trustees approved funding for two projects, to be delivered over a two year period beginning in 2026 subject to contract, through a new Art for Climate Fund which aims to increase the capacity of arts charities to design, develop and implement innovative solutions that respond to the climate crisis.

Financial review

Principal Funding Sources

During the financial year of 2025, Scottish Power Limited has contributed £1,706,919 (2024: £1,506,919) to the Foundation. A further donation of £1,706,919 has been committed for the financial year 2026.

Investment Policy

Aside from retaining a prudent amount in reserves each period, most of the Foundation's funds are to be spent in the short term so there are few funds for long term investment. The Foundation presently holds a Charity Current Account with Triodos Bank.

The Foundation's banking arrangements will be reviewed on an ongoing basis, thereby ensuring maximum returns for the Foundation as far as possible.

Reserves Policy

The Trustees regularly consider the level of reserves required taking into account their current and future liabilities. The Trustees aim to maintain free reserves in unrestricted funds at a level to cover any incidental costs that would be incurred in the event of the winding up of the Foundation.

The Trustees considered the reserve level at their meeting on 4 November 2025 and agreed that current reserves were more than sufficient.

The balance held as unrestricted funds at 31 December 2025 was £118,581 (2024: 108,408) and is regarded as free reserves. There is £400,000 of restricted reserves for the multi-year marine project and the Art for Climate fund. The Foundation currently has a committed donation from Scottish Power Limited of £1,706,919 for 2026 to pay donations and grants that have been approved and agreed to be paid in 2026 and beyond. This includes a further £200,000 earmarked for the multi-year marine project and £200,000 for the next multi-year lab. The current level of reserves is therefore sufficient to meet the Foundation's requirements for 2026.

SCOTTISH POWER FOUNDATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Plans for Future Periods

The Foundation intends to continue provide funding in future years, subject to satisfactory funding arrangements. Future funding will be requested from ScottishPower, which remains committed to the support of the Foundation. The Trustees will continue to review opportunities to increase funding where appropriate.

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Scottish Power Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that Consilium Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.


.....
Anita Longley (Chair and Independent Director)

Trustee

Dated: 12 / 3 / 26

SCOTTISH POWER FOUNDATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SCOTTISH POWER FOUNDATION

Opinion

We have audited the financial statements of Scottish Power Foundation (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SCOTTISH POWER FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SCOTTISH POWER FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity'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 the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management and inspecting legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

SCOTTISH POWER FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF SCOTTISH POWER FOUNDATION

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditors-responsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Brian Thomson BA(Hons) CA (Senior Statutory Auditor)
for and on behalf of Consilium Audit Limited**

Statutory Auditor

169 West George Street

Glasgow

Scotland

G2 2LB

Date:

Consilium Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

SCOTTISH POWER FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:						
Donations and legacies	1,306,919	400,000	1,706,919	1,306,919	200,000	1,506,919
Investments	2,080	-	2,080	2,330	-	2,330
Total income	1,308,999	400,000	1,708,999	1,309,249	200,000	1,509,249
Charitable activities	1,298,826	-	1,298,826	1,284,682	400,000	1,684,682
Net income/(expenditure) and movement in funds	10,173	400,000	410,173	24,567	(200,000)	(175,433)
Reconciliation of funds:						
Fund balances at 1 January 2025	108,408	-	108,408	83,841	200,000	283,841
Fund balances at 31 December 2025	118,581	400,000	518,581	108,408	-	108,408

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 19 form part of these financial statements.

SCOTTISH POWER FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Current assets					
Debtors	10	2,923		8,145	
Cash at bank and in hand		523,659		308,183	
		<u>526,582</u>		<u>316,328</u>	
Creditors: amounts falling due within one year	11	8,001		207,920	
Net current assets			<u>518,581</u>		<u>108,408</u>
The funds of the charity					
Restricted income funds	12	400,000		-	
Unrestricted funds	13	118,581		108,408	
			<u>518,581</u>		<u>108,408</u>

The notes on pages 13 to 19 form part of these financial statements.

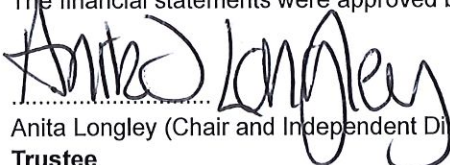
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2025, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 17/3/26


Anita Longley (Chair and Independent Director)
Trustee

Company registration number SC445116 (Scotland)

SCOTTISH POWER FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash generated from operations	17		213,396		14,574
Investing activities					
Investment income received		2,080		2,330	
Net cash generated from investing activities			2,080		2,330
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			215,476		16,904
Cash and cash equivalents at beginning of year			308,183		291,279
Cash and cash equivalents at end of year			<u>523,659</u>		<u>308,183</u>

The notes on pages 13 to 19 form part of these financial statements.

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Charity information

Scottish Power Foundation is a private company limited by guarantee incorporated in Scotland. The registered office is 320 St Vincent Street, Glasgow, G2 5AD, Scotland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated and apportioned to the applicable expenditure headings.

- Expenditure on charitable activities includes grants payable, and other activities undertaken to further the purposes of the charity and their associated support costs.
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attached to that grant is outside of the control of the Trust.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies (Continued)

1.8 Funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives.

Restricted funds are grants and donations which must be spent as specified by the donor.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2025 £	2025 £	2025 £	2024 £	2024 £
Donations and gifts	1,306,919	400,000	1,706,919	1,306,919	200,000
	<u>1,306,919</u>	<u>400,000</u>	<u>1,706,919</u>	<u>1,306,919</u>	<u>200,000</u>
					<u>1,506,919</u>

4 Income from investments

	Unrestricted funds	Unrestricted funds
	2025 £	2024 £
Bank Interest	2,080	2,330
	<u>2,080</u>	<u>2,330</u>

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

5 Expenditure on charitable activities

	2025 £	2024 £
Direct costs		
Bank charges	32	44
Grant funding of activities (see note 6)	1,264,708	1,645,090
Share of support and governance costs		
Support	26,086	31,628
Governance	8,000	7,920
	<u>1,298,826</u>	<u>1,684,682</u>
Analysis by fund		
Unrestricted funds	1,298,826	1,284,682
Restricted funds	-	400,000
	<u>1,298,826</u>	<u>1,684,682</u>

6 Grants payable

	2025 £	2024 £
Grants to institutions:		
Scottish Power Foundation Awards	60,000	60,000
Projects	1,204,708	1,585,090
	<u>1,264,708</u>	<u>1,645,090</u>

7 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
Total	<u>-</u>	<u>-</u>

There were no employees whose annual remuneration was more than £60,000.

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Debtors

	2025	2024
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	2,923	8,145
	<u>2,923</u>	<u>8,145</u>

11 Creditors: amounts falling due within one year

	2025	2024
	£	£
Accruals and deferred income	8,001	207,920
	<u>8,001</u>	<u>207,920</u>

12 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2025	Incoming resources	Resources expended	At 31 December 2025
	£	£	£	£
	-	400,000	-	400,000
	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Previous year:				
	£	£	£	£
	200,000	200,000	(400,000)	-
	<u>200,000</u>	<u>200,000</u>	<u>(400,000)</u>	<u>-</u>

13 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2025	Incoming resources	Resources expended	At 31 December 2025
	£	£	£	£
General funds	108,408	1,308,999	(1,298,826)	118,581
	<u>108,408</u>	<u>1,308,999</u>	<u>(1,298,826)</u>	<u>118,581</u>

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

13 Unrestricted funds (Continued)

Previous year:	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	83,841	1,309,249	(1,284,682)	108,408

14 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
Fund balances at 31 December 2025 are represented by:			
Current assets/(liabilities)	118,581	400,000	518,581
	<u>118,581</u>	<u>400,000</u>	<u>518,581</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Fund balances at 31 December 2024 are represented by:			
Current assets/(liabilities)	108,408	-	108,408
	<u>108,408</u>	<u>-</u>	<u>108,408</u>

15 Control

During the current and prior year, the charitable company was under the control of the Trustees.

16 Related party transactions

Scottish Power Limited

During the year the charity received donations of £1,706,919 (2024: £1,506,919).

Scottish Power Limited is a related party as one of the Trustees of the charity is a director of this company.

No further transactions with related parties were undertaken such as are required to be disclosed under Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

SCOTTISH POWER FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

17 Cash generated from operations	2025	2024
	£	£
Surplus/(deficit) for the year	410,173	(175,433)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,080)	(2,330)
Movements in working capital:		
Decrease/(increase) in debtors	5,222	(7,582)
(Decrease)/increase in creditors	(199,919)	199,919
Cash generated from operations	<u>213,396</u>	<u>14,574</u>

18 Analysis of changes in net funds

The charity had no material debt during the year.