Scottish Power Renewables (UK) Limited

Report and Financial Statements

31 December 2010

Directors

Keith Anderson
Jonathan Cole
Roy Scott
Emilio Hernandez

Secretary

Emilio Hernandez

Auditors

Ernst & Young LLP
G1
5 George Square
Glasgow
G2 1DY

Bankers

The Royal Bank of Scotland
Glasgow City Branch
10 Gordon Street
Glasgow
G1 3PL

Registered Office

Arnott House
12-16 Bridge Street
Belfast, United Kingdom
BT1 1LS

Directors' Report and Accounts
For the year ended 31 December 2010

Contents **Page**

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2010

Principal activities and business review

The principal activity of ScottishPower Renewables (UK) Limited, "the company", is the construction and operation of wind powered electricity generation During the year the company continued to operate wind farm sites in the United Kingdom and Republic of Ireland These activities will continue for the foreseeable future

Operational financial performance

The company has net current liabilities of £781 7 million at 31 December 2010 (year 31 December 2009 - £619 3 million), which includes loans owed to group and parent undertakings of £917 4 million (year 31 December 2009 - £594 4 million)

Turnover reduced by £44 6 million in the year There were two primary reasons for the reduction Firstly, under the terms of the Master PPA agreement with Scottish Power Energy Retail Limited, through which the majority of output from the wind farms is sold, the wholesale price of electricity was lower in 2010 than in 2009 Secondly, wind output was down significantly year on year due to lower wind speeds across our portfolio

Net Operating expenses increased by £12 6 million, largely as a result of higher depreciation charges on the new operational wind farms, additional operating costs relating to new operational wind farms and increased expenditure on developing the company's offshore wind business

Both the level of business and the year-end financial position were satisfactory and the directors expect that the present level of activity will grow as the level of installed capacity increases

The directors confirm that the company will continue to remain a going concern on the basis of financial commitments made by the parent of the company to provide sufficient funding to meet liabilities as they fall due at least for a period of 12 months from the date of signing of the accounts

Key Performance Indicators

The Board monitors progress on the Company's growth and efficiency objectives by reference to a selection of KPIs Six of the most regularly used KPIs are set out in the table below

KPI	2010	2009	Definition, method of calculation and analysis
Growth in sales	(24 4%)	196 7%	Year on year sales growth expressed as a percentage For the reasons mentioned above sales were lower in 2010
Gross margin	43 9%	64 2%	Gross margin is the ratio of operating profit before exceptional items and goodwill amortisation to sales expressed as a percentage Although operating costs per MW were lower in 2010 the reduction in sales dominated the gross margin performance leading to a drop in this ratio
EBITDA	£100 7m	£136 7m	Earnings Before Interest, Taxes, Depreciation and Amortization EBITDA was again influenced by the drop in sales year on year which led to a lower EBITDA position in 2010
Installed capacity	900 MW	802MW	The wind turbine is erected and the wind line and substation are mechanically installed

KPI	2010	2009	Definition, method of calculation and analysis
Operating capacity	842 MW	802MW	The wind turbine is installed according to the previous definition and grid connection is available for the exportation of energy
Capacity under construction	391 MW	164MW	After and including the point that civil works commence on a wind farm site

The number of MW installed, operating and under construction are key performance metrics for this business that help drive the financial results During 2010 Arecleoch windfarm achieved first generation and was officially opened on 13 June 2011

At the end of 2010 we have three further wind farm sites under construction at Beinn an Tuirc Ext, Lynemouth wind farm and an extension to Whitelee wind farm This is in line with our parent company's expectations and continues the excellent growth in our operating wind farm portfolio seen over the last few years

Principal risks and uncertainties

The business identifies and assesses the key business risks associated with the achievement of its strategic objectives Any key actions needed to enhance the control environment are identified, along with the person responsible for the management of the specific risk

Further details of the risks facing the Iberdrola Renovables group and how it manages them can be found in the Annual Report & Accounts of Iberdrola Renovables, S A for the year ended 31 December 2010

Research and development

The company was not involved in any activities during the period that would be classed as Research & Development

Future outlook

Iberdrola, S A see the UK as providing attractive opportunities for growth and the expectation of the Company is that during the Strategic Plan period the UK business will grow from its current capacity of around 800MW to 1,800MW

The directors believe that the market conditions in the UK combined with its internal capabilities and track record will deliver the returns and growth expectations of its parent

Environment

Throughout its operations the company strives to meet, or exceed, relevant legislative and regulatory environmental requirements and codes of practice

A more extensive description of the Iberdrola Renovables group environmental requirements can be found in the Annual Report & Accounts of Iberdrola Renovables, S A for the year ended 31 December 2010

Post year end events

On 8 March 2011, Iberdrola, S A announced that it had initiated negotiations for a merger by absorption of its subsidiary Iberdrola Renovables, S A , the parent company of the smallest group in which the results of the company are consolidated

This proposal was subsequently approved by the shareholders of Iberdrola, S A at the AGM on 27 May 2011 and also by the minority shareholders of Iberdrola Renovables, S A at the company AGM held in Valencia on 30 May 2011

Dividends

No dividends were paid during the year (year ended 31 December 2009 - £Nil)

Financing review

Capital and Debt Structure

The company is funded principally by debt All of the called up share capital of £13 6 million is held by the immediate parent undertaking, ScottishPower Renewable Energy Limited At the year end the company had a loan of £617 5 million (31 December 2009 - £594 4 million) from ScottishPower Renewable Energy Limited

Treasury and Interest Policy

Treasury services are provided by Scottish Power UK Limited Both the company and Scottish Power UK Limited have the same ultimate parent company, Iberdrola, S A The risk policy within treasury and financing is designed to ensure that the company's exposure to variability of cash flows and asset values due to fluctuations in market interest rates, foreign exchange rates and inflation are minimised and managed at acceptable risk levels Further details of the treasury and interest policy and how it manages them are included in the Annual Report & Accounts of Scottish Power Limited for the year ended 31 December 2010

Funding

The loans from ScottishPower Renewable Energy Limited represent drawings under working capital facilities (refer to Note 18) The principal outstanding, accrued interest and associated costs are payable on written demand Interest is calculated at a rate of 3 month LIBOR plus 10 basis points

At the end of the year the company had net debt amounting to £617 5 million (31 December 2009 - £594 4 million)

Liquidity

The directors confirm that the company remains a going concern on the basis of its future cash flow forecasts and that sufficient funding will be made available to the company to continue operations and to meet liabilities as they fall due

Creditor payment policy and practice

The company's policy and practice concerning the payment of its trade creditors is to settle terms of payment when agreeing the terms of the transaction, to include the terms in contracts, and to pay in accordance with its contractual and legal obligations The company's creditor days at 31 December 2010 was 9 days (year ending 31 December 2009 – 7 days)

Differences between market and balance sheet value of land

In the opinion of the directors, the difference between the market value and balance sheet value of land is not significant

Directors
The directors who held office during the year are as follows

Keith Anderson
Roy Scott
Jonathan Cole
Emilio Hernandez

The company secretaries who held office during the year were as follows

Jonathan Cole	(resigned 7th July 2010)
Emilio Hernandez	(appointed 7th July 2010)

Statement of Directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") as they apply to the financial statements of the company for the period ended 31 December 2010 and in accordance with the Companies Act 2006 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 and loss of the company for that year

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditors

The auditors, Ernst and Young LLP, have indicated their willingness to continue in office In the absence of a notice proposing that the appointment be terminated, the auditors will be deemed to be re-appointed for the next financial year

On Behalf of the Board

Roy Scott
Director

Date 18 OCTOBER 2011

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

We have audited the financial statements of Scottish Power Renewables (UK) Limited for the period ended 31 December 2010 which comprise the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 27 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 & 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH POWER RENEWABLES (UK) LIMITED - CONTINUED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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

Ernst & Young LLP

Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
Date 18 October 2011.

BALANCE SHEET
as at 31 December 2010

	Notes	31-Dec-10 £m	31-Dec-09 £m	01-Jan-09 £m
Non-Current Assets				
Property, plant and equipment	***11***	1,040 0	830 1	619 1
Intangible assets	***12***	0 6	0 3	-
Investments	***14***	6 7	4 8	4 5
Loans receivable from group companies	***13***	5 8	-	-
Prepayments and accrued income	***15***	52 1	-	-
Total non-current assets		1,105.2	835.2	623.6
Current Assets				
Trade and other receivables	***15***	28 0	2 7	16 1
Prepayments and accrued income	***15***	160 9	13 0	5 6
Amounts due from group companies	***15***	51 8	64 1	47 0
Derivative Financial Instruments	***13***	0 2	3 2	19 8
Cash and cash equivalents	***16***	-	-	25 0
Total current assets		240.9	83.0	113.5
Total assets		1,346.1	918.2	737.1
Equity and liabilities				
Equity				
Ordinary shares	***22***	(13 6)	-	-
Retained earnings		(152 1)	(105 8)	(48 5)
Cash flow hedge reserve		(0 1)	(2 2)	(14 2)
Total equity		(165.8)	(108.0)	(62.7)
Non-Current Liabilities				
Deferred Income		(1 2)	-	-
Provisions	***20***	(25 3)	(16 5)	(10 7)
Deferred tax liabilities	***10***	(131 2)	(91 4)	(72 9)
Total non-current liabilities		(157.7)	(107.9)	(83.6)
Current Liabilities				
Trade and other payables	***17***	(46 1)	(77 1)	(33 4)
Amounts owed to other group companies	***17***	(58 5)	(27 8)	(8 8)
Derivative Financial Instruments	***18***	-	(0 1)	(0 1)
Loans payable to group companies	***18***	(917 4)	(594 4)	(548 5)
Provisions	***20***	(0 6)	(2 9)	-
Total current liabilties		(1,022.6)	(702.3)	(590.8)
Total liabilities		(1,180.3)	(810.2)	(674.4)
Total equity and liabilities		(1,346.1)	(918.2)	(737.1)

The called up share capital of the company is £13,630,347

The Accounting Policies and Definitions on page 12 to 23, together with the Notes on pages 23 to 41, form part of these accounts

Approved by the Board on 18/10/11 and signed on its behalf by

Roy Scott
Director

INCOME STATEMENT
for the period ended 31 December 2010 59 3

	Notes	2010 £m	2009 £m
Revenue	***4***	**138.3**	**182 9**
Staff Costs		(0 1)	-
Outside services		(38 5)	(28 4)
Impairment of fixed assets	***11***	(0 3)	(0 9)
Other operating income	***7***	1 4	-
		(37 5)	**(29 3)**
Depreciation and amortisation charge, allowances and provisions	***11,12***	(41 5)	(37 1)
		(79.0)	**(66 4)**
Profit	***5***	**59.3**	**116.5**
Gain on disposal of non-current assets		-	1 1
Loss on disposal of non-current assets		(0 1)	-
Finance revenue	***8***	2 1	1 1
Finance expense	***9***	(8 1)	(11 0)
Income from fixed asset investments		0 7	2 4
Distribution from subsidiary undertaking		-	4 8
Loss on liquidation of subsidiary undertaking		-	(26 1)
Profit before Tax		**53.9**	**88 8**
Tax expense	***10***	(7 6)	(31 5)
Profit for the year		**46.3**	**57.3**

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Profit for the year		**46 3**	**57.3**
Other comprehensive income			
Gains/(losses) on effective cash flow hedges recognised		**(2 9)**	(16 6)
Tax on items relating to components of other comprehensive income		**0 8**	4 7
Other comprehensive income for the year, net of tax		(2.1)	(11 9)
Total comprehensive income for the year net of tax		44.2	45.4

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

	Equity share capital £m	Retained earnings £m	Cashflow Hedge Reserve £m	Total Equity £m
At 1 January 2009	-	48.5	14.2	62.7
Profit for the year	-	57 3	-	57 3
Other comprehensive income	-	-	(12 0)	(12 0)
At 31 December 2009	-	105.8	2.2	108.0
Profit for the year	-	46 3	-	46 3
Other comprehensive income	-	-	(2 1)	(2 1)
Issue of Share Capital	13 6	-	-	13 6
At 31 December 2010	13.6	152.1	0.1	165.8

CASH FLOW STATEMENT
for the year ended 31 December 2010

	Notes	2010 £m	2009 £m
Operating activities			
Profit for the year		**46 3**	**57 3**
Adjustments to reconcile profit for the year to net cash flows from operating activities			
Tax		7 6	31 5
Net finance costs	8,9	6 0	9 9
Net Fair value (gains)/Losses on operating derivatives			
(Gain)/ Loss from disposal of property, plant and equipment		0 1	(1 1)
Income from fixed asset investments		(0 7)	(2 4)
(Gain)/ Loss on liquidation of subsidiary undertaking		-	26 1
Distribution from subsidiary undertaking		-	(4 8)
Depreciation and impairment of property, plant and equipment	11	41 7	38 0
Amortisation and impairment of intangible assets	12	0 1	-
Movement in provisions	20	(2 3)	-
Movement in deferred income		1 2	-
Working capital adjustments			
(Increase) / decrease in trade and other receivables	15	13 4	(19 2)
Increase / (decrease) in trade and other payables	17	(1 6)	69 3
Cash generated from operations		**111 9**	**204 6**
Income tax received / (paid)		9 8	(0 4)
Net cash flows from operating activities		121.7	204.2
Investing Activities			
Investment in subsidiaries/associates	14	(1 9)	(0 3)
Dividends received from investment in subsidiaries		0 7	2 4
Proceeds from disposal of property, plant and equipment		-	1 1
Purchase of property, plant and equipment	8,11,20	(241 7)	(239 7)
Advance paid in respect of turbine purchases	15	(203 2)	-
Purchase of Intangible assets	12	(0 4)	(0 3)
Net cash flow from investing activities		(446.5)	(236.8)
Financing activities			
Share Capital Issued	22	13 6	-
Net Interest paid	8	(6 3)	(17 1)
Proceeds from new borrowings	15,18	323 1	24 7
Advance of new lendings	13	(5 8)	-
Net cash flows from financing activities		324.6	7.6
Net increase in cash and cash equivalents		(0.2)	(25.0)
Effects of exchange rates on cash and cash equivalents	8,9	0 2	-
Cash and cash equivalents at 1 January	16	-	25 0
Cash and cash equivalents at 31 December		(0 0)	0.0

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

1 Authorisation of financial statements and statement of compliance with IFRS's

The financial statements of Scottish Power Renewables (UK) Limited ("the Company") for the year ended 31 December 2010 were authorised for issue by the Board of Directors on 18 October 2011 and the balance sheet was signed on the Board's behalf by Roy Scott

Scottish Power Renewables (UK) Limited is a private limited company incorporated and domiciled in Northern Ireland The principal activity of the Company is the development, construction and operation of wind power electricity generation The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") as they apply to the financial statements of the Company for the year ended 31 December 2010 and applied in accordance with the Companies Act 2006

2 Industry regulation in the UK

The principal laws that govern the company's activities are the Electricity Act 1989 (the "Electricity Act"), as substantially amended by numerous subsequent enactments, including the Utilities Act 2000, the Energy Act 2004, the Energy Act 2008, the Energy Act 2010 and various EU directives Parts of the Energy Act 2008 and the Energy Act 2010, as well as the "third package" EU directives are still in the process of being implemented

Other laws relating to subjects such as environmental protection, health and safety, and planning and competition are also very important parts of the framework in which the Company operates These laws are enforced respectively by the Environment Agency (or in Scotland, the Scottish Environmental Protection Agency), the Health & Safety Executive, local and national planning authorities, and the Office of Fair Trading working concurrently with the Office of Gas and Electricity Markets ("OFGEM")

Further disclosures in relation to the significant laws and regulations governing the company's activities can be found in the financial statements of the ultimate parent company, Iberdrola S A

3. Accounting Policies

3.1 Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2010 and applied in accordance with the Companies Act 2006 The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2010

The Company's financial statements have been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value The financial statements are presented in Pounds Sterling and all values are rounded to the nearest million (£M) unless otherwise indicated

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3 Accounting Policies (continued)

3 2 Application of IFRS 1 First Time Adoption of International Financial Reporting Standards

These financial statements are the first Scottish Power Renewables (UK) Limited financial statements to be prepared in accordance with IFRS as adopted in the EU IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied in preparing these financial statements

Until 31 December 2010 the financial statements had been prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) UK GAAP differs in certain respects from IFRS When preparing Scottish Power Renewables (UK) Limited 2010 financial statements, management has amended certain accounting and valuation methods applied in the previous UK GAAP financial statements to comply with IFRS

The company cash flow statement prepared in accordance with IFRS is set out on page 11 In prior years, the company financial statements were prepared under UK GAAP and the company took advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statements' (Revised 1996) as the company was included in the Accounts of Iberdrola S A , which were publicly available

Reconciliations and descriptions of the effect of transition from UK GAAP to IFRS on the Company's equity and its net income are given in note 27

3 3 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year However the nature of estimation means that actual outcomes could differ from those estimates

The following judgements (apart from those using estimates) have the most significant effect on amounts recognised in the financial statements

Decommissioning liabilities

The company periodically revises the estimates made concerning the costs to be incurred in the decommissioning of the company's wind farms and the obligation to restore the sites to their original condition as set out in the planning consent conditions over the course of their operational lives

Based on these estimates the company provides for the costs over the course of the operational life of the wind farm

At 31 December 2010, the present value of the aforementioned costs amounted to £25 3 million (31 December 2009 £16 5 million, 1 January 2009 £10 7 million)

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3 Accounting Policies (continued)

Revenue

The nature of the energy industry in the UK in which the company operates is such that the company's revenue recognition is subject to a degree of estimation The assessment of energy sales is based on wind farm meter readings and industry wide trading and settlement systems At the end of each accounting year, amounts of energy delivered to customers since the last billing date is estimated and the corresponding unbilled revenue is estimated and recorded in revenue

Discontinued operations and assets held for sale

The Company considers that at 31 December 2010 there were no assets held for sale nor discontinued operations (31 December 2009 - £0 9 million)

Impairment of assets

In accordance with IFRS, the Company considers whether there are any indicators of impairment of assets Where indicators of impairment are identified, the Company tests the asset for impairment The Company believes its estimates in respect of this impairment testing are appropriate and consistent with the current market situation

3 4 Revenue Recognition

Revenue is recognised in accordance with IAS 18 *'Revenue'* and comprises amounts received and receivable in respect of the invoiced value of electricity, Renewable Obligation Certificates, Levy Exemption Certificates and accrued income

Revenue is recognised when it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty

Accrued income represents the sales value of energy which is yet to be invoiced and is based on the value of units supplied

Revenue on the generation of energy comprises the value of units supplied during the year Units are determined by energy volumes recorded on the wind farm meters and industry wide trade settling systems

All revenue is earned wholly within the United Kingdom and Republic of Ireland

Interest income is accrued on a time proportional basis by reference to the principal outstanding and the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the asset to the asset's carrying amount

Dividend income is recognised when the Company becomes entitled to receive it

3 5 Taxes

Current Income Tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the taxation authorities

Income tax expense represents the sum of the tax currently payable and deferred tax The tax currently payable is based on taxable profit for the year and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date Taxable profit differs from

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3. Accounting Policies (continued)

profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible

Deferred Income Tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes Deferred income tax liabilities are recognised for all taxable temporary differences except,

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, and
- In respect of taxable temporary differences associated with investments in subsidiaries and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to equity Otherwise, income tax is recognised in the income statement

3 6 Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses Such costs include the cost of replacing part of the plant and equipment if the recognition criteria are met Likewise when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied All other repairs and maintenance costs are recognised in the income statement as incurred Cost includes interest and other costs which are directly attributable to the construction or production of an item of property, plant and equipment

Depreciation is provided on the cost less residual value of all property, plant and equipment, other than land, and is generally provided on a straight-line basis over its expected useful life as follows

Buildings (freehold)	-	20 years
Plant and equipment	-	20 years

No depreciation is charged in relation to Construction in Progress Depreciation of property, plant and equipment commences when the asset is available for use

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively

NOTES TO FINANCIAL STATEMENTS
as at 31 December 2010

3 Accounting Policies (continued)

An item of property, plant or equipment is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset Any gain or loss arising on the derecognising of the asset is included in the income statement in the year of derecognition

3 7 Intangible Assets

Computer software costs

Computer software intangible assets are initially measured at cost Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses Intangible assets are amortised on a straight line basis over their finite useful economic life Costs directly associated with the development of computer software programmes which are expected to generate economic benefits over a period in excess of one year are capitalised and amortised on a straight line basis over their estimated operational lives Costs include all directly attributable costs relating to software development and an appropriate proportion of relevant overheads directly attributable to bringing the software into use Amortisation of software costs is over periods of up to nine years

Computer software is assessed for impairment whenever there is an indication that the software asset may be impaired

Depreciation is provided on the cost less the residual value of computer software on a straight-line basis over its expected useful of 4 years

3.8 Investments

Investments in subsidiaries and joint ventures are stated in the balance sheet at cost, less impairment

3 9 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there are any indicators that an asset may be impaired If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss An asset or cash generating unit's recoverable amount is the higher of its fair value less costs to sell and its value in use and it is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those of other assets or groups of assets Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3 Accounting Policies (continued)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased If such indication exists the Company estimates the asset's or cash generating unit's recoverable amount A previous impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset All other borrowing costs are expensed in the period in which they occur Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds

3 11 Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability

Decommissioning costs

Provision is made on a discounted basis for the estimated decommissioning costs at the end of the operational lives of the Company's windfarms Capitalised decommissioning costs are depreciated over the useful lives of the related assets The unwinding of the discount is included within finance costs

3 12 Leasing

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement assessing whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset

The classification of leases as finance or operating leases requires the Company to determine, based on an evaluation of the terms and conditions, whether it retains or acquires the significant risks and rewards or ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised on the balance sheet

Company as lessee

Finance leases are leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item The Company currently does not have any assets held under finance leases

Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3 Accounting Policies (continued)

3.13 Cash and Short Term Deposits

Cash and short term deposits consist of cash at bank and in hand

3 14 Trade and Other Receivables

Trade receivables, which generally have 85 day credit terms, are recognised and carried at the lower of their original invoiced value and recoverable amount Where the time value of money is material, receivables are carried at amortised cost Provision is made when there is objective evidence that the Company will not be able to recover balances in full Balances are written off when the probability of recovery is assessed as being remote

3.15 Financial instruments

(i) Financial Assets

Financial assets within the scope of IAS 39 *Financial instruments Recognition and measurement* ('IAS 39') are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate The Company determines the classification of financial assets at initial recognition

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs

The Company's financial assets include cash, trade and other receivables, loans receivable and derivative financial instruments

Subsequent measurement

The subsequent measurement of financial assets depends on their classification The Company does not hold any held to maturity investments or available for sale financial assets Subsequent measurement for financial assets at fair value through profit or loss and loans and receivables is as follows

Financial assets at fair value through profit or loss

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedge relationship as defined by IAS 39

The group has not designated any financial assets upon initial recognition as fair value through profit or loss

The Company considers whether a contract contains an embedded derivative when the entity first becomes a party to it Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3. Accounting Policies (continued)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale Such assets are carried at amortised cost using the effective interest method if the time value of money is significant Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process

Impairment of Financial Assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired The Company has trade receivables and loans receivable carried at amortised cost using the effective interest rate method The assets are reviewed for impairment as follows

Assets Carried at Amortised Cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i e the effective interest rate computed at initial recognition) The carrying amount of the asset is reduced, through the use of an allowance account The amount of the loss is recognised in depreciation and amortisation charge, allowances and provisions

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice The carrying amount of the receivable is reduced through use of an allowance account Impaired debts are derecognised when they are assessed as irrecoverable

ii) Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate The Company determines the classification of financial assets at initial recognition The Company has trade and other payables and loans payable classified as loans and borrowing and derivatives classified as financial liabilities at fair value through profit or loss

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

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3 Accounting Policies (continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivative financial liabilities which have not been designated as effective hedging instruments The Company does not hold financial liabilities held for trading or financial liabilities designated upon initial recognition as fair value through profit or loss Gains and losses on derivative financial liabilities which have not been designated as hedging instruments in an effective hedge are recognised in the income statement

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of the consideration received less directly attributable transaction costs

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost

Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires

Where 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, such an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously

iv) Fair values

The fair values of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices, without any deduction for transaction costs

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques Such techniques may include using recent arms length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models

NOTES TO FINANCIAL STATEMENTS
as at 31 December 2010

3. Accounting Policies (continued)

v) Hedge accounting

The Company enters into forward foreign exchange contracts to hedge the cash flow risk relating to the value of foreign purchases which are denominated in foreign currencies The risk being hedged relates to changes in the foreign exchange rate of the forecast purchase price Hedge accounting is applied when certain conditions required by IAS 39 are met

The portion of gain or loss of the hedging instrument that was determined to be an effective hedge is recognised directly in equity and forms part of the hedge reserve The ineffective portion of the change in fair value of the hedging instruments is recognised in the income statement within procurements for hedges of underlying operations For hedges of financing activities, any ineffectiveness is recognised within finance income or finance costs, as appropriate, in the income statement If the cash flow hedge relates to an underlying transaction which results in the recognition of a non-financial asset, the associated gains or losses on the derivative that had previously been recognised in equity are recognised in the initial measurement of the asset arising from the hedged transaction For hedges that relate to an underlying transaction which results in recognition of a financial asset or a liability, amounts deferred in equity are recognised in the income statement in the same year in which the hedged item affects the income statement

Hedge effectiveness is measured and respective entries recorded in the balance sheet, reserves and income statement on a monthly basis in respect of commodities and on a half-yearly basis in respect of treasury hedging relationships Hedge effectiveness is achieved where the correlation between the changes in value of the hedging instrument and the hedged item is between 80% and 125%

The Company discontinues prospectively hedge accounting when the hedge instrument expires or is sold, terminated or exercised, when the hedge relationship no longer qualifies for hedge accounting or when the designation is revoked In the case of cash flow hedging, any gain or loss that has been recognised in equity until that time remains separately recognised in equity until the forecast transaction occurs If the transaction is no longer expected to occur, related cumulative gains and losses which have been previously deferred in equity are recognised in the income statement

3 16 Foreign currencies

The functional currency of the company is Pounds Sterling Transactions in foreign currencies are translated at the spot rate at the date of the transaction At the year end, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, with exchange gains and losses recognised in the income statement

3 17 Financial risk management policy and hedging activities

During the year ended 31 December 2010, the risk policy approved by the board of the ultimate parent company, Iberdrola S A, was supported by a governance structure within Scottish Power Renewables (UK) Limited, which included the Executive Team ("ET") and the independent group Risk Management function In addition, the ET meets as required specifically to ensure that the businesses' risks are adequately assessed, monitored, mitigated and managed

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3. Accounting Policies (continued)

The structure ensured that the risk management procedures established for the Company to identify, assess, monitor, report, manage and mitigate each of the various types of risk involved in its business were adequately designed and implemented and that an effective and efficient system of internal controls is maintained The company adhered to their specific business risk limits and guidelines which were approved by the Executive Committee of Iberdrola Renovables

During the year ended 31 December 2010 the group has been exposed to financial risks in two main areas, credit risk and treasury management, in particular foreign currency exposures

a) Credit risk

The majority of the company's debtors relate to inter business trading or loans with other group undertakings

b) Treasury management

Hedging of asset purchases

The Company is subject to cash flow risk resulting from the purchase of various assets which are denominated in foreign currencies The risk being hedged relates to the fluctuation in the functional currency terms of value of these foreign denominated purchases The Company enters into forward foreign exchange rate contracts to hedge those risks

3.18 New Standards and Interpretations Not Applied

The following new standards, interpretations and amendments have effective dates after the date of the financial statements and have not yet been implemented by the Company

		Effective for periods commencing
IFRIC 19	*Extinguishing financial liabilities with equity instruments*	*1 July 2010*
IFRIC 14 (amendment)	*Prepayments of a minimum funding requirement*	*1 January 2011*
IFRS 7 (amendment)	*Financial Instruments Disclosures**	*1 July 2011*
IFRS 1 (amendment)	*Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters**	*1 July 2011*
IAS 12 (amendment)	*Recovery of Underlying Assets**	*1 January 2012*
IAS 1 (amendment)	*Presentation of Other Comprehensive Income**	*1 July 2012*
IAS 19 (amendment)	*Employee Benefits**	*1 January 2013*
IFRS 9	*Financial Instruments Recognition and measurement**	*1 January 2013*
IFRS 10	*Consolidated Financial Statements**	*1 January 2013*
IFRS 11	*Joint Arrangements**	*1 January 2013*
IFRS 12	*Disclosures of Interests in Other Entities**	*1 January 2013*
IFRS 13	*Fair Value Measurement**	*1 January 2013*
IAS 27	*Separate Financial Statements**	*1 January 2013*
IAS 28	*Investments in Associates and Joint Ventures**	*1 January 2013*
	Improvements to IFRSs (issued May 2010)	*Various*

**not yet adopted for use in the European Union*

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

3 Accounting Policies (continued)

The above standards and interpretations are expected to be adopted in accordance with their effective dates and have not been adopted in these financial statements The directors do not anticipate that adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application

4 Revenue

Revenue recognised in the income statement is analysed as follows

	2010 £m	2009 £m
Energy Sales	**67 3**	101 5
ROC & LEC Sales	**71 0**	81 4
Total Revenue	138.3	182.9

5 Operating profit

This is stated after charging

	2010 £m	2009 £m
Depreciation of property, plant & equipment	**41 4**	37 1
Amortisation of intangible assets	**0 1**	-
Total depreciation and amortisation expense	41.5	37.1
Impairment of property, plant and equipment	**0 3**	0 9
Impairment of intangible assets	-	-
Total impairment loss recognised in the income statement	0.3	0 9
Net foreign currency exchange differences	0.2	
Operating lease payments – minimum lease payments	**1 2**	**1 0**
Operating lease payments – sublease payments	-	-
Total lease and sublease payments recognised in the income statement	1.2	1.0
Future minimum lease payments under operating leases		
Not later than one year	**1 2**	1 2
After one year but not more than five years	**4 7**	4 7
After five years	**12 8**	18 9
	18.7	24.8

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

6 Auditors' remuneration

	2010 £m	2009 £m
Auditors' remuneration- audit services	0 1	-
Auditors' remuneration – technical advice	-	-
Total auditors' remuneration	0.1	-

7 Other Operating Income

	2010 £m	2009 £m
Insurance income	0 8	-
Re-charge of salary costs to other JV's	0 1	-
Management Fees	0 1	-
Other Income	0.4	-
Total Other Operating Income	1.4	-

8 Finance Revenue

	2010 £m	2009 £m
Capitalised Interest	1 7	1 1
Interest income on group loans	0 0	-
Foreign exchange gains	0 3	-
Total finance revenue for financial assets measured at amortised cost	2.0	1.1
Net gain on financial assets and financial liabilities at fair value through profit or loss	0 1	-
Total Finance Revenue	2.1	1.1

9 Finance Expense

	2010 £m	2009 £m
Interest expenses on group loans	7 5	10 6
Foreign exchange losses	0 1	-
Total interest expense	7.6	10.6
Unwinding of discount on provisions	0 5	0 4
Total finance expense	8.1	11.0

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

10 Taxation

The major components of income tax expense for the years ended 31 December 2010 and 2009 are

(a) Tax Charged in the income statement

	2010 £m	2009 £m
Current income tax		
Current income tax charge	(34 3)	12 0
Adjustments in respect of current income tax of previous years	1 3	(3 6)
Total current income tax	**(33.0)**	**8.4**
Deferred tax		
Relating to origination and reversal of temporary differences	50 2	19 2
Impact of changes in tax laws and rates	(5 1)	-
Adjustments in respect of previous years	(4 5)	3 9
Total deferred tax	**40.6**	**23.1**
Income tax expense in the income statement	**7.6**	**31.5**

(b) Reconciliation of the total tax charge

The current tax credit for the year varied from the standard rate of UK Corporation tax as

	2010 £m	2009 £m
UK Corporation tax at 28% on profits for the year	**15 0**	24 9
Adjustments in respect of prior years	**(3 2)**	0 3
Impact of change of rate on deferred tax	**(5.1)**	-
Loss on liquidation of subsidiary	-	7 3
Permanent differences	**0 9**	(1 0)
Income tax expense for the year	**7.6**	**31.5**

NOTES TO FINANCIAL STATEMENTS
as at 31 December 2010

10 Taxation (continued)

(c) Change in corporation tax rate

2009

The UK corporation tax rate decreased from 30% to 28% from 1 April 2009

2010

In his budget speech of 22 June 2010, the Chancellor announced that the main rate of UK corporation tax would be reduced from the current rate of 28% to 24% on 1 April 2014 by a series of 1% annual reductions In his budget speech in March 2011, he announced there would be a further 2% reduction on 1 April 2011 to 26% and this was enacted on 29 March 2011 in the Provisional Collecion of Taxes Act Further 1% reductions will continue to apply, now lowering the rate to 23% on 1 April 2014

The reduction to 27% was included in the Finance Act that received Royal Assent on 27 July 2010 As this change was enacted before the balance sheet date and reduces the tax rate expected to apply when temporary differences reverse, it had the effect of reducing the deferred tax charge by £5 1m The reduction to 26%, however, was not enacted at the balance sheet date

A rate of 25% for the year commencing 1 April 2012 was enacted on 19 July 2011 The decrease from 27% to 25% should have the effect of reducing the deferred tax balance by £9 7m in the year to 31 December 2011 The further 1% rate reductions should be substantively enacted in the future giving rise to two further reductions of approximately £4 9m each

(d) Deferred Tax

The deferred tax included in the Company balance sheet is as follows

	Accelerated Capital Allowances £000s	Derivatives £000s	Total £000s
At 1 January 2009	67.4	5.5	72.9
Charge / (credit) to income statement	23 1	-	23 1
Recorded in the statement of comprehensive income	-	(4 6)	(4 6)
At 1 January 2010	90.5	0.9	91.4
Charge / (credit) to income statement	40 6	-	40 6
Recorded in the statement of comprehensive income	-	(0 8)	(0 8)
At 31 December 2010	131.1	0.1	131.2

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

11 Property, plant and equipment

	Land & Buildings Freehold £m	Plant & Equipment £m	Construction in progress £m	Assets held for resale £m	Total £m
Cost or valuation					
At 1 January 2009	3.7	550.2	157.4	-	711.3
Additions	1 8	1 2	180 6	-	183 6
Reclassification of Fixed Assets	-	(0 4)	-	0 4	-
Transfers	-	173 3	(173 3)	-	-
Transfers from group undertakings	-	65 0	-	0 5	65 5
At 31 December 2009 and 1 January 2010	5 5	789.3	164.7	0.9	960 4
Additions	0 6	8 4	243 7	-	252 7
Disposals	-	-	-	(0 9)	(0 9)
Reclassification of Fixed Assets	(0 3)	0 3	-	-	-
Transfers	-	85 6	(85 6)	-	-
Transfers to group undertakings	-	-	(1 1)	-	(1 1)
At 31 December 2010	5.8	883.6	321.7	-	1,211.1
Depreciation and impairment					
At 1 January 2009	0.2	92.0	-	-	92.2
Provided during the year	-	37 1	-	-	37 1
Impairment	-	-	-	0 9	0 9
Transfers from group undertakings	-	0 1	-	-	0 1
At 31 December 2009 and 1 January 2010	0.2	129.2	-	0.9	130.3
Provided during the year	-	41 4	-	-	41 4
Disposals	-	-	-	(0 9)	(0 9)
Impairment	-	-	0 3	-	0 3
Reclassification of Fixed Assets	(0 2)	0 2	-	-	-
At 31 December 2010	-	170.8	0.3	-	171.1

	Land & Buildings Freehold £m	Plant & Equipment £m	Construction in progress £m	Assets held for resale £m	Total £m
Net Book Value					
At 31 December 2010	5.8	712.8	321 4	-	1,040.0
At 31 December 2009	5.3	660.1	164.7	-	830.1
At 1 January 2009	3.5	458 2	157 4	-	619.1

The impairment of the construction in progress asset is in relation to projects which were under development but due to a change in the economic or legal circumstances are no longer deemed viable to continue to develop

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

11 Property, plant and equipment (continued)

Capitalised borrowing costs

The amount of borrowing costs capitalised during the year ended 31 December 2010 was £1 7m (2009 £1 1m) The rate used to determine the amount of borrowing costs eligible for capitalisation was 1 5% (2009 1 5% to 3%) which is the effective rate of borrowing used to finance the construction of qualifying assets

Group restructure

On 30th October 2009 and 22nd December 2009 as part of a group restructure the assets and liabilities of group undertakings Iberdrola Renewable Energies and Mark Hill Wind Power Limited respectively were transferred to the company in consideration for debt These companies were subsequently liquidated under Members Voluntary Liquidation and a distribution was received from subsidiary Hill Wind Power Limited In addition to this, the parent company ScottishPower Renewable Energy Limited transferred its fixed assets to the company in consideration for debt

12 Intangible assets

	Computer software £m	Other Intangibles £m	TOTAL £m
Cost			
Opening balance at 1 January 2009	-	-	-
Additions	0 3	-	0 3
Disposals	-	-	-
Opening balance at 31 December 2009 and 1 January 2010	0.3		0.3
Additions	0 4	-	0 4
Disposals	-	-	-
Reclassification of Fixed Assets	-	-	-
Closing balance at 31 December 2010	0.7	-	0.7
Amortisation and impairment			
1 January 2009	-	-	-
Amortisation during the year	-	-	-
Impairment charges	-	-	-
At 31 December 2009 and 1 January 2010	-	-	-
Amortisation during the year	0 1	-	0 1
Impairment Charges	-	-	-
Reclassification of Fixed Assets	-	-	-
At 31 December 2010	0.1	-	0.1

	Computer software £m	Other Intangibles £m	TOTAL £m
Net book value			
At 31 December 2010	0.6	0.0	0.6
At 31 December 2009	0.3	0.0	0.3
At 1 January 2009	0.0	0.0	0.0

NOTES TO FINANCIAL STATEMENTS
as at 31 December 2010

13 Other financial assets

	Notes	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Financial assets – non-current				
Loans receivable from group companies (at amortised cost)	*(a)*	5.8	-	-
		5.8	-	-
Financial assets – current				
Forward currency derivative contracts (designated as hedges in an effective hedging relationship)	*(b)*	0 2	3 2	19 8
		0.2	3.2	19.8

***a)* Loans receivable from group companies – non-current**

The non-current loan is due from East Anglia Offshore Wind Limited Interest is calculated at 6 month LIBOR plus 5 basis points on a bi-annual basis on the loan amount plus compound interest. The loan is unsecured and repayable on demand, but only when East Anglia Offshore Wind Limited has surplus cashflow It is anticipated that this will not be for a number of years, therefore the loan is classified as non-current.

***b)* Forward currency derivative contracts**

The company enters into forward foreign exchange contracts to hedge the cash flow risk relating to the value of forecast purchases which are denominated in foreign currencies The risk being hedged relates to the changes in the foreign exchange rates of the forecast purchase price

14. Investments

The Company holds investments in following entities

	Country of Incorporation	% equity interest 31 Dec 2010	31 Dec 2009	As at 1 Jan 2009
Subsidiaries				
Coldham Windfarm Limited	England & Wales	80	80	80
Morecambe Wind Limited	England & Wales	-	67	33
Scottish Power Renewables (WODS) Limited	Scotland	100	-	-
Jointly controlled entity				
Celtpower Limited	England & Wales	50	50	50
East Anglia Offshore Wind Limited	England & Wales	50	-	-
Associates				
Aviation Investment Fund Company Limited	England & Wales	19	19	-

The principal activity of Coldham Windfarm Limited, Morecambe Wind Limited and Celtpower Limited is the generation of wind powered electricity

The principal activity of Scottish Power Renewables (WODS) Limited is the development, and future construction and operation of the West of Duddon Sands offshore windfarm located in the East Irish Sea

The principal activity of East Anglia Offshore Wind Limited is to develop offshore windfarms In December 2009 the company was awarded exclusivity to develop up to 7,200 MW of offshore windfarm generation within Zone 5 - the East Anglia zone - through the Crown Estate Round 3 tender process

The principal activity of Aviation Investment Fund Company Limited is to explore and develop potential technical solutions relating to the obstacle posed by radar to the positioning of windfarms

NOTES TO FINANCIAL STATEMENTS
as at 31 December 2010

14 **Investments (continued)**

	Subsidiaries £m	Jointly controlled entities £m	Associates £m	Total £m
At 1 January 2009	0.9	3.6	-	4.5
Investment in Aviation Investment Fund Company Limited		-	0 3	0 3
At 31 December 2009	0.9	3.6	0.3	4.8
Investment in Scottish Power Renwables (WODS) Limited	0 0	-	-	0 0
Investment in East Anglia Offshore Wind Limited	1 9	-	-	1 9
At 31 December 2010	2.8	3.6	0.3	6.7

At 1 January 2009 the company held a 33 3% interest in Morecambe Wind Limited which was classified as an interest in a jointly controlled entity

In the year to 31 December 2009 the company increased its interest to 66 6%, giving the company control of the entity, resulting in its classificationas a subsidiary undertaking as at 31 December 2009

On 11 March 2010 the company transferred it's share in Morecambe Wind Limited to Scottish Power Renewables (WODS) Limited

15 **Trade and other receivables**

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Trade receivables	2 9	0 7	0 6
Amounts owed by group undertakings	51 8	64 1	47 0
VAT recoverable	-	-	5 4
Group tax relief	25 1	2 0	10 1
Prepayments and accrued income	213 0	13 0	5 6
Total trade and other receivables	292.8	79.8	68.7

Trade receivables are non-interest bearing and are generally on 85 days credit terms There is no provision for impairments

Prepaid income has been paid to Scottish Power Renewable Energy Limited and is in relation to the procurement of turbines

As at 31 December, the ageing analysis of trade receivables is as follows

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Neither past due nor impaired	2 9	0 7	0 6
< 30 Days	-	-	-
30 - 60 days	-	-	-
60 - 90 days	-	-	-
90 - 120 days	-	-	-
> 120 days	-	-	-
Trade receiveables	2.9	0.7	0.6

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

15. Trade and other receivables (continued)

As at 31 December, the ageing analysis of amounts owed by group undertakings is as follows

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Neither past due nor impaired	51 8	64 1	47 0
< 30 Days	-	-	-
30 - 60 days	-	-	-
60 - 90 days	-	-	-
90 - 120 days	-	-	-
> 120 days	-	-	-
Amounts owed by group undertakings	51.8	64.1	47.0

16. Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprises the following

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Cash at bank	-	-	1 5
Short term deposits	-	-	23 5
Total cash and cash equivalents	-	-	25.0

Cash at bank earns interest at floating rates based on daily bank deposit rates

17 Trade and Other Payables

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Trade payables	**26 1**	4 8	5 4
VAT payable	**16 0**	8 9	-
Amounts owed to other group companies	**58 5**	27 8	8 8
Capital expenditure accruals	**4 0**	63 4	28 0
Total trade and other payables	104.6	104.9	42.2

Terms and conditions of the above financial liabilities

Trade payables are non-interest bearing and generally settled on 30 day terms

VAT payable is normally settled quarterly throughout the financial year

Refer to note 23 for terms of amounts owed to other group undertakings

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

18 Financial Liabilities

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Non-current – at amortised cost			
Loans owed to group undertakings	-	-	-
	-	-	-
Current – at amortised cost			
Loans owed to group undertakings	**917 4**	594 4	548 5
Derivative Financial Instruments with other group companies	-	0 1	0 1
Total financial liabilities	917.4	594.5	548.6

Loans owed to other group companies comprise the following

	31 Dec 2010 £m	31 Dec 2009 £m	As at 1 Jan 2009 £m
Loan with ScottishPower Renewable Energy Holdings Limited	**299 9**	-	-
Loan with ScottishPower Renewable Energy Limited	**617 5**	594 4	548 5
Total loans owed to other group companies	917.4	594.4	548.5

Interest on the loan due to ScottishPower Renewable Energy Holdings Limited is calculated at 3 month LIBOR plus 30 basis points The loan is unsecured and repayable on demand

Interest on the loan due to ScottishPower Renewable Energy Limited is calculated at 3 month LIBOR plus 20 basis points The loan is unsecured and repayable on demand

19 Obligations Under Leases and Hire Purchase Contracts

Operating Lease Payments	31 Dec 2010 £m	31 Dec 2009 £m
Minimum lease payments under operating leases recognised as an expense in the year	**1 2**	**1.0**
	1.2	1.0
Future minimum lease payments under operating leases		
Not later than one year	**1.2**	**1 2**
After one year but not more than five years	**4 7**	**4 7**
After five years	**12 8**	**18 9**
	18.7	24.8

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

20 Provisions

	Decommissioning £m	Other provisions £m	Total £m
Current	-	-	-
Non-current	10 7	-	10 7
As at 1 January 2009	10 7	-	10 7
New Provision	5 4	2 9	8 3
Unwinding of Discount	0 4	-	0 4
Utilised during year	-	-	-
Current	-	2 9	2 9
Non-current	16 5	-	16 5
As at 31 December 2009	16 5	2 9	19 4
New Provision	8 3	-	8 3
Unwinding of Discount	0 5	-	0 5
Utilised during year	-	(2 3)	(2 3)
Current	-	0 6	0 6
Non-current	25 3	-	25 3
As at 31 December 2010	25 3	0 6	25 9

Decommissioning provision

The decommissioning provision relates to the discounted estimated cost of decommissioning windfarms at the end of their useful life The decommissioning of windfarms is expected to occur over the year between 2015 and 2027

Other provisions

The other provision relates to Clachan Flats windfarm, and is to provide for a payment which would be due to AMEC Project Investments Limited if the wind resource at this site was found to be higher than when AMEC sold the project to ScottishPower Renewables (UK) Limited

21 Financial Instruments

Credit risk

There are no significant concentrations of credit risk within the Company unless otherwise disclosed The maximum credit risk exposure related to financial assets is represented by the carrying value at the balance sheet date

The Company has established procedures to minimise the risk of default by trade debtors including detailed credit checks undertaken before a customer is accepted Historically these procedures have proved effective in minimising the level of impaired past due debtors

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

21 Financial Instruments (continued)

Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax, through the impact on floating rate borrowings

The sensitivity analysis excludes all non-derivative fixed rate financial instruments carried at amortised cost, but includes those recognised at fair value as well as all non-derivative floating rate financial instruments

Currency derivatives have not been included in the sensitivity analysis below as they are not considered to be exposed to interest rate risk

	Increase / decrease in basis points	Effect on profit before tax £m
2010		
Loan with ScottishPower Renewable Energy Limited	+20	1 2
Loan with ScottishPower Renewable Energy Holdings Limited	+20	0 3
Loan with ScottishPower Renewable Energy Limited	- 20	(1 2)
Loan with ScottishPower Renewable Energy Holdings Limited	- 20	(0 3)
2009		
Loan with ScottishPower Renewable Energy Limited	+20	1 1
Loan with ScottishPower Renewable Energy Limited	- 20	(1 1)

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

21 Financial Instruments (continued)

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities at 31 December based on contractual undiscounted payments

Year ended 31 December 2010	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Non-derivative financial liabilities						
Loans owed to group undertakings	917 4	-	-	-	-	**917.4**
Trade and other payables	-	104 6	-	-	-	**104 6**
Total	917.4	104.6	-	-	-	1,022.0

Year ended 31 December 2009	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Non-derivative financial liabilities						
Loans owed to group companies	594 4	-	-	-	-	**594.4**
Trade and other payables	-	104 9	-	-	-	**104 9**
Total	594.4	104.9	-	-	-	699.3

As at 1 January 2009	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Over 5 years £m	Total £m
Non-derivative financial liabilities						
Loans owed to group companies	548 5	-	-	-	-	**548.5**
Trade and other payables	-	42 2	-	-	-	**42.2**
Total	548.5	42.2	-	-	-	590.7

22. Share Capital

	31 Dec 2010	*31 Dec 2009*	*1 Jan 2009*
Authorised Shares	-	100	100
Allotted, called up and fully paid ordinary shares of £1 each	**13,630,347**	2	2

	31 Dec 2010 £m	*31 Dec 2009 £m*	*As at 1 Jan 2009 £m*
Allotted, called up and fully paid ordinary shares	**13.6**	0 0	0 0

The authorised share capital for ScottishPower Renewables (UK) Limited was abolished by written resolution on 6 May 2010

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

23 Related party transactions

The table below provides the total amount of transactions that have been entered into with related parties for the relevant financial year

	Relationship	Sales to related parties £m	Purchases from related parties £m	Amounts owed by related parties £m	Amounts owed to related parties £m
2010					
Scottish Power Renewable Energy Ltd	**Parent**	-	(128 9)	-	(27 6)
Coldham Windfarm Limited	**Subsidiary**	0 0	-	0 0	-
Scottish Power Renewables (WODS) Ltd	**Subsidiary**	-	-	1 2	-
Celtpower Limited	**Joint Venture**	0 1	-	-	-
East Anglia Offshore Wind Limited	**Joint Venture**	-	-	1 4	-
Scottish Power UK PLC	**Associate**	-	(0 9)	-	-
Scottish Power Energy Retail Ltd	**Associate**	126 4	(0 5)	49 2	-
SP Distribution Limited	**Associate**	-	(0 0)	-	-
SP Manweb Limited	**Associate**	-	(0 2)	-	-
Core Utility Solutions Limited	**Associate**	-	(0 5)	-	(0 3)
Gamesa Eolica, S A	**Associate**	-	(61 7)		(28 6)
Iberdrola Ingenieria y Construccion UK Ltd	**Associate**	-	(0 0)	-	(0 0)
Iberdrola Engineering and Construction Scotland Ltd	**Associate**	-	(0 6)	-	(0 1)
2009					
Celtpower Limited	**Joint Venture**	-	-	-	(0 0)
ScottishPower UK Limited	**Associate**	-	(0 8)	(0 0)	(0 0)
Scottish Power Energy Retail Ltd	**Associate**	170 9	(0 4)	67 4	(0 2)
SP Power Systems Limited	**Associate**	-	(0 7)	-	(0 7)
ScottishPower Generation Limited	**Associate**	-	(0 0)	-	(0 0)
ScottishPower Energy Management Limited	**Associate**	-	-	-	(0 0)
2008					
Celtpower Limited	**Joint Venture**	-	-	-	(0 0)
ScottishPower UK Limited	**Associate**	-	(0 0)	-	-
Scottish Power Energy Retail Ltd	**Associate**	87 8	(0 3)	47 0	(0 0)
SP Power Systems Limited	**Associate**	-	(0 0)	-	(0 0)
ScottishPower Generation Limited	**Associate**	-	(0 0)	-	-
SP Dataserve Limited	**Associate**	-	(0 0)	-	(0 0)

Terms and conditions of transactions with related parties

Purchases between related parties are made at normal market prices Outstanding balances relating to purchases are unsecured, interest free and cash settlement is expected within 30 days of the invoice

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

23 Related party transactions (continued)

Loans from/to related parties	Relationship	Interest Received/ (Paid) £m	Amounts owed by / (to) related parties £m
2010			
Scottish Power Renewable Energy Ltd	**Parent**	(5 5)	(619 1)
Scottish Power Renewable Energy Holdings Ltd	**Associate**	(2 0)	(300 7)
East Anglia Offshore Wind Ltd	**Joint Venture**	0 0	5 8
2009			
Scottish Power Renewable Energy Ltd	**Parent**	(11 4)	(594 4)
As at 1 January 2009			
Scottish Power Renewable Energy Ltd	**Parent**		(548 5)

Controlling party

The directors regard Iberdrola, S A as the ultimate parent company, which is also the parent company of the only group in which the results of the company are consolidated Copies of the Consolidated Accounts of Iberdrola, S A may be obtained from Iberdrola, S A, Calle Gardoqui 8, Bilbao, Spain

24 Events after the balance sheet date

Other than the event disclosed in page 2 of the Directors' Report there are no other significant post balance sheet events

25 Capital Commitments

The Company had capital commitments totalling £60 5m at 31 December 2010 (31 December 2009 £125 4m, 1 January 2009 £74 7m)

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

26 **Directors' Emoluments**

The total emoluments of the directors that provided qualifying services to the company are shown below As the directors are remunerated for their work for the ScottishPower Renewables group as a whole, it has not been possible to apportion the emoluments specifically in respect of services for this company

	2010 £000s	2009 £000s
Basic salary	301	294
Bonuses	227	249
Benefits in kind	22	21
Total	550	564

The above emoluments in respect of directors were paid by another group company, consequently these amounts are not included within the income statement

3 directors (2009 3 directors) had retirement benefits accruing under ScottishPower's defined benefit pension scheme at the year end

Highest paid director	2010 £000s	2009 £000s
Basic salary	144	146
Bonuses	163	187
Benefits in kind	7	7
Total	314	340

The amount of pension benefit accrued for the highest paid director is £30,612 (2009 £28,084)

NOTES TO FINANCIAL STATEMENTS
as at 31 December 2010

27 Reconciliation of Equity at 31 December 2009

	Notes	31 Dec 2009 UK GAAP £m	Reclassifications £m	Remeasurement £m	31 Dec 2009 IFRS £m
Non-Current Assets					
Property, plant and equipment	11	829 3	(0 3)	-	829 0
Intangible assets	12	-	0 3	-	0 3
Investments	14	5 9	-	-	5 9
Loans receivable from group companies	13	-	-	-	-
Total non-current assets		835.2	-	-	835.2
Current Assets					
Trade and other receivables	15	15 7	-	-	15 7
Amounts due from group companies	15	64 1	-	-	64 1
Derivative Financial Instruments	13	-	-	3 2	3 2
Cash and cash equivalents	16	-	-	-	-
Total current assets		79.8	-	3.2	83.0
Total assets		915.0	-	3.2	918.2
Equity and liabilities					
Equity					
Ordinary shares		-	-	-	-
Retained earnings		(111 7)	-	5 9	(105 8)
Cashflow hedge Reserve		-	-	(2 2)	(2 2)
Total equity		(111.7)	-	3.7	(108.0)
Non-Current Liabilities					
Provisions	20	(16 5)	-	-	(16 5)
Deferred tax liabilities	10	(84 6)	-	(6 8)	(91.4)
Total non-current liabilities		(101.1)	-	(6.8)	(107.9)
Current Liabilities					
Trade and other payables	17	(77 1)	-	-	(77 1)
Amounts owed to other group companies	17	(27 8)	-	-	(27 8)
Derivative Financial Instruments	18	-		(0 1)	(0 1)
Loans payable to group companies	18	(594 4)	-	-	(594 4)
Provisions	20	(2 9)	-	-	(2 9)
Total current liabilities		(702 2)	-	(0.1)	(702.3)
Total liabilities		(803.3)	-	(6 9)	(810.2)
Total equity and liabilities		(915 0)	-	(3.2)	(918.2)

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

27 Reconciliation of Equity at 1 January 2009

	Notes	1 Jan 2009 UK GAAP £m	Reclass-ifications £m	Remea-surement £m	1 Jan 2009 IFRS £m
Non-Current Assets					
Property, plant and equipment	11	619 1	-	-	619 1
Intangible assets	12	-	-	-	-
Investments	14	4 5	-	-	4 5
Loans receivable from group companies	13	-	-	-	-
Total non-current assets		623.6	-	-	623.6
Current Assets					
Trade and other receivables	15	21 7	-	-	21 7
Amounts due from group companies	15	47 0	-	-	47 0
Derivative Financial Instruments	13	-	-	19 8	19 8
Cash and cash equivalents	16	25 0	-	-	25 0
Total current assets		93.7	-	19.8	113.5
Total assets		717.3	-	19.8	737.1
Equity and liabilities					
Equity					
Ordinary shares		-	-	-	-
Retained earnings		(54 4)	-	5 9	(48.5)
Cashflow hedge Reserve		-	-	(14 2)	(14 2)
Total equity		(54.4)	-	(8.3)	(62.7)
Non-Current Liabilities					
Provisions	20	(10 7)	-	-	(10 7)
Deferred tax liabilities	10	(61 5)	-	(11 4)	(72 9)
Total non-current liabilities		(72.2)	-	(11.4)	(83.6)
Current Liabilities					
Trade and other payables	17	(33 4)	-	-	(33 4)
Amounts owed to other group companies	17	(8 8)	-	-	(8 8)
Derivative Financial Instruments	18	-	-	(0 1)	(0 1)
Loans payable to group companies	18	(548 5)	-	-	(548 5)
Provisions	20	-	-	-	-
Total current liabilities		(590.7)	-	(0.1)	(590.8)
Total liabilities		(662.9)	-	(11.5)	(674.4)
Total equity and liabilities		(717.3)	-	(19.8)	(737.1)

NOTES TO FINANCIAL STATEMENTS

as at 31 December 2010

27 *Company Reconaliation of profit and loss for the year ended 31 December 2009*

	UK GAAP 31 Dec 2009 £ms	Reclass-ifications £ms	Remea-surement £3s	31 Dec 2009 IFRS £ms
Revenue	182 9	-	-	**182 9**
Cost of Sales	(57 0)	57 0	-	**-**
Gross profit	**125.9**	**57.0**	**0.0**	**182 9**
Administrative Expenses	(8 5)	8 5	-	-
Staff Costs	0 0	-	-	**-**
Outside Services	0 0	(28 4)	-	**(28 4)**
Impairment of fixed assets	(0 9)	-	-	**(0 9)**
Other Operating Income	0 0	-	-	**-**
Depreciation and amortisation charge, allowances and provisions	0 0	(37 1)	-	**(37 1)**
Operating Profit	**116.5**	**0.0**	**0 0**	**116 5**
Gain on disposal of non-current assets	1 1	-	-	**1 1**
Loss on disposal of non-current assets	0 0	-	-	**-**
Finance revenue	0 0	1 1	-	**1 1**
Finance expense	0 0	(11 0)	-	**(11.0)**
Income from fixed asset investments	2 4	-	-	**2 4**
Distribution from subsidiary undertaking	4 8	-	-	**4.8**
Loss on liquidation of subsidiary undertaking	(26 1)	-	-	**(26 1)**
Profit on ordinary activities before interest	**98.7**	**(9.9)**	**0.0**	**88.8**
Net interest and similar charges	(9 9)	9 9	-	**-**
Profit on ordinary activities before taxation	**88.8**	**0.0**	**0.0**	**88.8**
Taxation	(31 5)	-	-	**(31 5)**
Profit for the year	**57.3**	**0.0**	**0.0**	**57.3**