

Company Registration No. 06451278 (England and Wales)

**RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY  
RENEWABLES UK HOLDINGS LIMITED)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## COMPANY INFORMATION

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### Directors

B Freeman  
R Sandford  
A Chatterton (Appointed 1 July 2020)  
T Glover (Appointed 1 July 2020)  
A Greenslade (Appointed 1 July 2020)  
J Lees (Appointed 1 July 2020)

### Company secretary

P Sainsbury

### Company number

06451278

### Registered office

Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire  
United Kingdom  
SN5 6PB

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
United Kingdom  
WC2N 6RH

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# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

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# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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The directors present the Strategic Report for the year ended 31 December 2019.

### **Statement by the directors of the company regarding their duty under s172(1) Companies Act 2006 to promote the success of the company.**

The purpose of the Strategic Report is to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote the success of the company).

The Board of RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited) believe they have acted in the manner most likely to promote the success of the company for the benefit of its members as a whole having a regard to the matters set out in s172(1)(a-f) of the Act.

The following important matters have been directly addressed:

#### **Likely consequence of long term decisions**

The directors, having taken into consideration the interest of its members and the company's commitment to provide support to its subsidiary undertakings have approved a dividend of £70,000,000.

#### **Employee engagement**

The company had no employees for the year under review (2018: none).

#### **Business relationships**

The company follows the RWE AG Group Code of Conduct and expects business partners to accept the principles set out in that Code. The company's goals must only be achieved by legal and ethical means. Private interests should remain separate to those of the company and employees should not solicit or accept monetary benefits from third parties. Conflicts of interest should be declared at the start of the procurement process or when staff first become aware that a conflict exists. In order to minimise the risks of bribery and corruption the RWE AG Group has implemented a compliance management system with designated Compliance Officers in all Group companies.

The company's Procurement Terms and Conditions also require all suppliers to comply with the RWE AG Group Code of Conduct. The Code of Conduct is consistent with the "Labour standards" set out in the United Nations Global Compact, it requires all suppliers both through their own activities and those within their own supply chains, to ensure they do not commit any offences of 'slavery, servitude and forced or compulsory labour', 'child labour' or 'human trafficking'. This is consistent with the requirements of the Modern Slavery Act 2015.

#### **Community and the environment**

As a holding company, the company doesn't have any direct investment into the community or environment. However, the companies it invests in create a lot of extra business for the local community near wind farm sites as the company looks to engage with local suppliers where possible. As part of any new operation a Lobby is held to give the local community a chance to ask questions, but also provides a platform to demonstrate the economic benefit to the local communities. An annual review is taken of regional supplier spend to show the benefits to the local communities.

#### **Maintaining high business standards**

The Board is aware of its social role and responsibility towards customers, business partners, shareholders, employees and the wider stakeholder community. As part of the RWE AG Group the company follows the RWE AG Code of Conduct which provides clear principles on how the company conducts its business and social activities. The company is committed to conducting business with integrity, being respectful to others and the environment, and in compliance with the law.

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### Fair review of the business

The company's principal business is the holding of investments in renewables energy companies situated in the United Kingdom. Given the nature of the business, the company's directors are of the opinion that the KPIs necessary for an understanding of the development, performance and position of the business are net assets and results after tax.

The company's key financial and other performance indicators during the year were as follows:

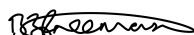
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	70,667	287,784
Net assets	1,568,579	1,567,912

### Principal risks and uncertainties

The principal risks and uncertainties facing the business are whether suitable investment opportunities can be identified, acquired or be developed. This is mitigated by the development of a diversified portfolio, spread across different geographical regions and technologies.

The company does not see COVID-19 as a key risk to the business, because the principal activity of the company is that of a holding company. As the company's subsidiaries do not consider COVID-19 a key risk, it is appropriate to conclude that COVID-19 is not a key risk for the company.

On behalf of the board



B Freeman

**Director**

4 December 2020

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

With effect from 2 September 2020 the company name was changed from Innogy Renewables UK Holdings Limited to RWE Renewables UK Holdings Limited.

#### Principal activities

The principal activity of the company continued to be that of holding of investments in renewable energy companies situated in the United Kingdom.

#### Results and dividends

The results for the year are set out on page 10.

During the year, the directors proposed and paid ordinary interim dividends of £70,000,000 (2018: £530,000,000). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Freeman	
R Sandford	
P Cowling	(Resigned 20 January 2020)
M Parker	(Resigned 30 June 2020)
M Drury	(Resigned 1 August 2020)
K Moseley	(Appointed 4 March 2019 and resigned 30 June 2020)
A Chatterton	(Appointed 1 July 2020)
T Glover	(Appointed 1 July 2020)
A Greenslade	(Appointed 1 July 2020)
J Lees	(Appointed 1 July 2020)

#### Directors' insurance

The directors are indemnified to the extent permitted by law and the company's Articles of Association in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities. Deeds of indemnity are executed for the benefit of each director in respect of liabilities which may attach to them in their capacity as directors of the company. Neither the indemnities nor the insurance provide cover in the event that the director is proved to have acted fraudulently.

#### Financial instruments

##### *Objectives and policies*

The company's operations expose it to a variety of financial risks which are set out below. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

##### *Liquidity risk*

The company receives financing from its immediate parent and as such has no significant exposure to liquidity risk outside of the RWE AG Group.

# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### ***Interest rate risk***

The company is currently not exposed to interest rate risk on borrowings, as they are at fixed rates. Interest on funds owed to the company by the group undertakings are linked to LIBOR, and Bank of England base rates.

### ***Currency risk***

All of the company's transactions and balances are currently denominated in sterling and the company is therefore not exposed to currency risk.

### ***Credit risk***

The company has significant borrowings which are all with the Ultimate Parent Company, RWE AG. These loans are back-to-back loans with another Group company, RWE Renewables UK Swindon Limited (formerly innogy Renewables UK Limited). As the loans have the same maturity dates there is no significant exposure to credit risk.

### ***Price Risk***

The company has no significant exposure to price risk.

### **Post reporting date events**

On 11 March 2020, the World Health Organisation declared a global pandemic in respect of the outbreak of COVID-19. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel and work restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in the UK and the global economy more widely, as well as causing increased volatility and declines in financials and electricity markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial and electricity market.

Restrictions in the UK have been slowly eased whilst the rate of infection has stabilised. To date, the company has not seen a material impact on its operations as a result of COVID-19. Given the contracted and stable nature of the revenue and cost profiles of the company's subsidiaries, and the favourable outlook of the UK renewables generation sector, no material impact from COVID-19 is expected on the carrying value of the investments in subsidiaries. The company's crisis management teams and business continuity plans have responded swiftly and effectively to the outbreak of COVID-19 and continue to monitor the risks to the business.

On 30 June 2020, RWE AG, through its subsidiaries, acquired the renewable energy division of innogy SE, including the entire shareholding of RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited). After this date, the ultimate parent company was no longer E.ON SE but was RWE AG, a company incorporated in Germany. Copies of RWE AG's financial statements are available upon request from RWE AG, RWE Platz 1, 45141 Essen, Germany.

### **Future developments**

The company intends to continue to invest in renewable energy companies, and further invest in those companies already owned.

### **Independent auditors**

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors of the company in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

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

### **Going concern**

On 11 March 2020, the World Health Organisation declared a global pandemic in respect of the outbreak of COVID-19. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel and work restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in the UK and the global economy more widely, as well as causing increased volatility and declines in financial and electricity markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial and electricity markets.

To date, the company has not seen a material impact on its operations as a result of COVID-19. The impact of COVID-19 on the investments in subsidiaries held has been assessed with no significant impact expected. The company's crisis management teams and business continuity plans have responded swiftly and effectively to the outbreak of COVID-19 and continue to monitor the risks to the business.

The directors have fully considered the risks and uncertainties of the company's cash flow forecasts and projections.

The going concern basis is considered to be appropriate by the directors as the company is in a net current asset position and financial obligations are forecast to be covered by operational cash flows.



**RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY  
RENEWABLES UK HOLDINGS LIMITED)**

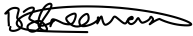
**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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On this basis, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

On behalf of the board



B Freeman  
**Director**

4 December 2020

# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2019; the Statement of comprehensive income, and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

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 auditors' 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.

# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

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A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Nigel Comello (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
4 December 2020

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Notes	2019 £000	2018 £000
Income from shares in group undertakings	7	70,000	287,000
Interest receivable and similar income	7	52,358	53,452
Finance costs	8	(51,534)	(52,775)
<b>Profit before taxation</b>		<u>70,824</u>	<u>287,677</u>
Tax on profit	9	(157)	107
<b>Profit and total comprehensive income for the financial year</b>		<u><u>70,667</u></u>	<u><u>287,784</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

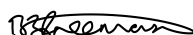
# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Property, plant and equipment	11		550		550
Investments	12		1,445,308		1,445,308
			<u>1,445,858</u>		<u>1,445,858</u>
<b>Current assets</b>					
Trade and other receivables	14	1,251,076		1,250,123	
		<u>1,251,076</u>		<u>1,250,123</u>	
<b>Current liabilities</b>					
Borrowings	15	81,800		-	
Trade and other payables	16	13,569		13,569	
Taxation and social security		286		-	
		<u>95,655</u>		<u>13,569</u>	
<b>Net current assets</b>			<u>1,155,421</u>		<u>1,236,554</u>
<b>Total assets less current liabilities</b>			<u>2,601,279</u>		<u>2,682,412</u>
<b>Non-current liabilities</b>					
Borrowings	15	1,032,700		1,114,500	
		<u>1,032,700</u>	<u>(1,032,700)</u>	<u>1,114,500</u>	<u>(1,114,500)</u>
<b>Net assets</b>			<u>1,568,579</u>		<u>1,567,912</u>
<b>Equity</b>					
Called up share capital	17		531		531
Share premium account			1,511,247		1,511,247
Retained earnings			56,801		56,134
			<u>1,568,579</u>		<u>1,567,912</u>
<b>Total equity</b>			<u>1,568,579</u>		<u>1,567,912</u>

The financial statements were approved by the board of directors and authorised for issue on 4 December 2020 and are signed on its behalf by:



B Freeman  
Director

Company Registration No. 06451278

**RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY  
RENEWABLES UK HOLDINGS LIMITED)**

**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	Called up share capital £000	Share premium account £000	Retained earnings £000	Total £000
<b>Balance at 1 January 2018</b>		531	1,511,247	298,350	1,810,128
<b>Year ended 31 December 2018:</b>					
Profit and total comprehensive income for the year		-	-	287,784	287,784
Dividends	10	-	-	(530,000)	(530,000)
<b>Balance at 31 December 2018</b>		531	1,511,247	56,134	1,567,912
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	70,667	70,667
Dividends	10	-	-	(70,000)	(70,000)
<b>Balance at 31 December 2019</b>		531	1,511,247	56,801	1,568,579

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited) is a private company limited by shares incorporated in England and Wales. The registered office is Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, United Kingdom, SN5 6PB. The company's principal activities and nature of its operations are disclosed in the Directors' report.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of RWE AG in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group financial statements of RWE AG. The group financial statements of RWE AG are available to the public and can be obtained as set out in note 18.



# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited) is a wholly owned subsidiary of RWE Renewables International Participations B.V. and the results of RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited) are included in the consolidated financial statements of RWE AG which are available from RWE AG, RWE Platz 1, 45141 Essen, Germany.

#### 1.2 Going concern

On 11 March 2020, the World Health Organisation declared a global pandemic in respect of the outbreak of COVID-19. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel and work restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in the UK and the global economy more widely, as well as causing increased volatility and declines in financial and electricity markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial and electricity markets.

To date, the company has not seen a material impact on its operations as a result of COVID-19. The impact of COVID-19 on the investments in subsidiaries held has been assessed with no significant impact expected. The company's crisis management teams and business continuity plans have responded swiftly and effectively to the outbreak of COVID-19 and continue to monitor the risks to the business.

The directors have fully considered the risks and uncertainties of the company's cash flow forecasts and projections.

The going concern basis is considered to be appropriate by the directors as the company is in a net current asset position and financial obligations are forecast to be covered by operational cash flows.

On this basis, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

#### 1.3 Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Freehold land is not depreciated.

#### 1.4 Non-current investments

Investment in subsidiaries are stated at historical cost less provision for any diminution in value. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 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.

#### 1.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets at fair value through profit or loss***

Financial assets are classified as held at amortised cost or at fair value through other comprehensive income unless conditions for classification as such are not met, in which case financial assets are classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

#### ***Financial assets at fair value through other comprehensive income***

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognise changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognised initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognised or its fair value substantially decreased. Dividends are recognised as finance income in profit or loss.

#### ***Impairment of financial assets***

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.8 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

#### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

### 1.9 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax is also recognised in other comprehensive income.

#### **Current tax**

The current income tax charge is calculated on the basis of the laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

#### **Deferred tax**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

IFRS 16, Leases, is a new accounting standard that is effective for the year ended 31 December 2019. IFRS 16 has not had an impact on the company's financial statements as the company is not a party to lease contracts and does not expect to enter into lease contracts in future. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the company's financial statements.

#### 3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no estimates requiring further disclosure.

##### Key sources of estimation uncertainty

###### Impairments

Significant investments are made in fixed assets. These investments are tested for possible impairment where there are indicators of loss of value. Calculating the recoverable amount requires a series of estimates concerning future cashflows, of which price paths and production volume are the most important. There were no indicators of impairment in the current year.

#### 4 Auditors' remuneration

	2019	2018
	£000	£000
<b>For audit services</b>		
Audit of the financial statements of the company	18	64
	<u>18</u>	<u>64</u>

The audit fees are borne by another group company and not recharged.

#### 5 Employees

The company has no employees for the year under review (2018: none).

#### 6 Directors' remuneration

The directors did not receive any emoluments in respect of their services to the company (2018: £nil).

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7	Finance income	2019 £000	2018 £000
	<b>Interest income</b>		
	Interest receivable on intercompany loan	52,358	53,452
	<b>Income from fixed asset investments</b>		
	Income from shares in group undertakings	70,000	287,000
	Total income	<u>122,358</u>	<u>340,452</u>
8	Finance costs	2019 £000	2018 £000
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on other loans	51,534	52,775
		<u>51,534</u>	<u>52,775</u>
9	Tax on profit	2019 £000	2018 £000
	<b>Current tax</b>		
	Group relief payable	157	129
	Adjustments in respect of prior periods	-	(2,021)
	<b>Total UK current tax</b>	<u>157</u>	<u>(1,892)</u>
	<b>Deferred tax</b>		
	Adjustment in respect of prior periods	-	1,785
	<b>Total tax charge/(credit)</b>	<u>157</u>	<u>(107)</u>

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 9 Tax on profit

(Continued)

The tax charge for the year is lower (2018: credit for the year is lower) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The charge/(credit) for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation	70,824	287,677
Expected tax charge based on a corporation tax rate of 19.00% (2018: 19.00%)	13,457	54,659
Income not taxable	(13,300)	(54,530)
Adjustment in respect of prior periods	-	(236)
<b>Taxation charge/(credit) for the year</b>	<b>157</b>	<b>(107)</b>

Income not taxable of £13,300,000 (2018: £54,530,000) relates to income from shares in group undertakings.

#### Factors that may affect future tax charges:

A change to the UK corporation tax rate was substantively enacted as part of Finance Bill 2016 (on 6 September 2016) to reduce the main rate from 19.00% to 17.00% from 1 April 2020.

On 11 March 2020 the UK Government announced that the previously enacted corporate tax rate reduction from 19.00% to 17.00% on 1 April 2020 would not go ahead. This change was not substantively enacted at the balance sheet date.

#### 10 Dividends

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>per share</b>	<b>per share</b>	<b>£000</b>	<b>£000</b>
Amounts recognised as distributions to equity holders:				
<b>Ordinary Shares</b>				
Interim dividend paid	131.93	998.90	70,000	530,000

**RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**11 Property, plant and equipment**

	<b>Freehold land £000</b>
<b>Cost</b>	
At 31 December 2018	3,220
At 31 December 2019	<u>3,220</u>
<b>Accumulated impairment</b>	
At 31 December 2018	2,670
At 31 December 2019	<u>2,670</u>
<b>Carrying amount</b>	
At 31 December 2019	<u>550</u>
At 31 December 2018	<u><u>550</u></u>

**12 Investments**

	<b>Current</b>		<b>Non-current</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investments in subsidiaries	-	-	1,445,308	1,445,308
	<u>-</u>	<u>-</u>	<u>1,445,308</u>	<u>1,445,308</u>

**Movements in non-current investments**

	<b>Shares in group undertakings £000</b>
<b>Cost or valuation</b>	
At 1 January 2019 & 31 December 2019	1,445,308
<b>Carrying amount</b>	
At 31 December 2019	<u>1,445,308</u>
At 31 December 2018	<u><u>1,445,308</u></u>



# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 13 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Principal activities	% Held	
			Direct	Voting
RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited)	England and Wales	Development and operation of renewable energy facilities	100.00	100.00
RWE Stallingborough Limited (formerly Innogy Stallingborough Limited)	England and Wales	Dormant entity	100.00	100.00

The Company also controls indirectly through its subsidiary undertakings a number of companies split between subsidiaries, joint ventures and associated companies. These are listed below along with the country of incorporation, principal activities and 2019 holding %:

Name of undertaking	Registered office	Principal activities	Indirect % Held
The Hollies Wind Farm Limited	England & Wales	Windfarm operations	100.00
Knabs Ridge Wind Farm Limited	England & Wales	Windfarm operations	100.00
Bilbster Wind Farm Limited	England & Wales	Windfarm operations	100.00
Carnead Wen Wind Farm Limited	England & Wales	Windfarm development	100.00
Harryburn Wind Farm Limited	England & Wales	Windfarm development	100.00
Rhyl Flats Wind Farm Limited	England & Wales	Windfarm operations	50.10
Little Cheyne Court Wind Farm Limited	England & Wales	Windfarm operations	59.00
RWE Renewables GYM 2 Limited (formerly Innogy GYM 2 Limited)	England & Wales	Windfarm operations	100.00
RWE Renewables GYM 3 Limited (formerly Innogy GYM 3 Limited)	England & Wales	Windfarm operations	100.00
RWE Renewables GYM 4 Limited (formerly Innogy GYM 4 Limited)	England & Wales	Windfarm operations	100.00
Burgar Hill Wind Farm Limited	England & Wales	Dormant company	100.00
Clocaenog Wind Farm Limited	England & Wales	Dormant company	100.00
Goole Fields II Wind Farm Limited	England & Wales	Dormant company	100.00
Kiln Pit Hill Wind Farm Limited	England & Wales	Dormant company	100.00
Lochelbank Wind Farm Limited	England & Wales	Dormant company	100.00
Novar Two Wind Farm Limited	England & Wales	Dormant company	100.00
Rowantree Wind Farm Limited	England & Wales	Dormant company	100.00
Gwynt Y Mor Offshore Wind Farm Limited	England & Wales	Windfarm operations	50.00
ML Wind LLP	England & Wales	Windfarm operations	51.00
Galoper Wind Farm Holding Company Limited	England & Wales	Windfarm operations	25.00
Galoper Wind Farm Limited	England & Wales	Windfarm operations	25.00
Triton Knoll Holdco Limited	England & Wales	Windfarm development	59.00
Triton Knoll Offshore Wind Farm Limited	England & Wales	Windfarm development	59.00
Greater Gabbard Offshore Winds Limited	England & Wales	Windfarm operations	50.00
Sofia Offshore Wind Farm Holdings Limited	England & Wales	Windfarm development	100.00
Sofia Offshore Wind Farm Limited	England & Wales	Windfarm development	100.00
Parc Ynni Cymunedol Alwen Cyfyngedig	England & Wales	Windfarm development	100.00
Glen Kyllachy Wind Farm Limited	England & Wales	Windfarm development	100.00
Awel y Mor Offshore Wind Farm Limited	England & Wales	Windfarm development	100.00
Five Estuaries Offshore Wind Farm Limited	England & Wales	Windfarm development	100.00

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Subsidiaries

(Continued)

All subsidiaries and undertakings except for the subsidiaries noted below, have the same registered address as the company as disclosed in note 1.

The only subsidiaries with a different registered address to the Company are Greater Gabbard Offshore Winds Limited and Parc Ynni Cymunedol Alwen Cyfyngedig. The registered address of Greater Gabbard Offshore Winds Limited is 55 Vastern Road, Reading, RG1 8BU. The registered address of Parc Ynni Cymunedol Alwen Cyfyngedig is Unit 22, Baglan Bay Innovation Centre, Baglan Energy Park, Central Avenue, Baglan, Port Talbot, Wales, SA12 7AX.

### 14 Trade and other receivables

	2019 £000	2018 £000
Amounts owed by fellow group undertakings	1,251,076	1,250,123

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables.

Amounts owed by group undertakings includes £1,032,699,879 (2018: £1,114,499,879) due in greater than one year and £81,800,000 (2018: £nil) due in less than one year.

These amounts represent three loans with a maturity date and fixed interest rate as follows:

£81,800,000 maturing on 18 December 2020 with interest charged at 2.90%.

£200,000,000 maturing on the 28 September 2022 with interest charged at 4.00%.

£832,699,879 maturing on the 20 September 2027 with interest charged at 4.97%.

Amounts owed by group undertakings includes a £136,576,217 (2018: £135,254,950) loan on a short term facility with interest charged at overnight LIBOR rate less 10 basis points.

# RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Borrowings

	2019 £000	2018 £000
<b>Unsecured borrowings at amortised cost</b>		
Loans from fellow group undertakings	1,114,500	1,114,500
	<u>1,114,500</u>	<u>1,114,500</u>

#### Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019 £000	2018 £000
Current liabilities	81,800	-
Non-current liabilities	1,032,700	1,114,500
	<u>1,114,500</u>	<u>1,114,500</u>

These amounts represent three loans owed to group undertakings with a maturity date and fixed interest rate as follows:

£81,800,000 maturing on 18 December 2020 with interest charged at 2.88%.  
 £200,000,000 maturing on 28 September 2022 with interest charged at 3.98%.  
 £832,699,879 maturing on 20 September 2027 with interest charged at 4.95%.

### 16 Trade and other payables

	2019 £000	2018 £000
Amounts owed to related parties	13,569	13,569
	<u>13,569</u>	<u>13,569</u>

Amounts owed to related parties are unsecured, interest free and repayable on demand.

### 17 Share capital

	2019 £000	2018 £000
<b>Ordinary share capital</b>		
<i>Issued and fully paid</i>		
530,584 Ordinary Shares of £1 each	531	531
	<u>531</u>	<u>531</u>

# **RWE RENEWABLES UK HOLDINGS LIMITED (FORMERLY INNOGY RENEWABLES UK HOLDINGS LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **18 Controlling party**

The company's immediate parent is RWE Renewables International Participations B.V.

The ultimate parent is RWE AG. The ultimate parent during the financial year was E.ON SE.

The most senior parent entity producing publicly available financial statements is RWE AG. These financial statements are available upon request from RWE AG, RWE Platz 1, 45141 Essen, Germany, the ultimate parent's principal place of business.

The ultimate controlling party is RWE AG. The ultimate controlling party during the financial year was E.ON SE.

The parent of the smallest and largest group in which these financial statements are consolidated is RWE AG, incorporated in Germany.

### **19 Events after the reporting date**

On 11 March 2020, the World Health Organisation declared a global pandemic in respect of the outbreak of COVID-19. Governments in affected areas have imposed a number of measures designed to contain the outbreak, including business closures, travel and work restrictions, stay at home orders and cancellations of gatherings and events. The spread of COVID-19 has resulted in an economic downturn in the UK and the global economy more widely, as well as causing increased volatility and declines in financials and electricity markets. If the pandemic is prolonged, or further diseases emerge that give rise to similar effects, the adverse impact on the global economy could be deepened and result in further declines in financial and electricity market.

Restrictions in the UK have been slowly eased whilst the rate of infection has stabilised. To date, the company has not seen a material impact on its operations as a result of COVID-19. Given the contracted and stable nature of the revenue and cost profiles of the company's subsidiaries, and the favourable outlook of the UK renewables generation sector, no material impact from COVID-19 is expected on the carrying value of the investments in subsidiaries. The company's crisis management teams and business continuity plans have responded swiftly and effectively to the outbreak of COVID-19 and continue to monitor the risks to the business.

On 30 June 2020, RWE AG, through its subsidiaries, acquired the renewable energy division of innogy SE, including the entire shareholding of RWE Renewables UK Holdings Limited (formerly Innogy Renewables UK Holdings Limited). After this date, the ultimate parent company was no longer E.ON SE but was RWE AG, a company incorporated in Germany. Copies of RWE AG's financial statements are available upon request from RWE AG, RWE Platz 1, 45141 Essen, Germany.