Registration No. OC388824 (England and Wales)

ML WIND LLP

MEMBERS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PARTNERSHIP INFORMATION

Members	RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited) Greencoat UK Wind Holdco Limited
Partnership number	OC388824
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

ML WIND LLP

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ML WIND LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities
The principal activity of the LLP is the generation of electricity and the provision of related operational management and maintenance activities at Lindhurst wind farm located near Mansfield and Middlemoor wind farm located near Alnwick in Northumberland.

Results and distributions
The results for the year are set out on page 7.

Distributions were paid amounting to £10,700,000.
The members' resolution to pay distributions during the year was made in accordance with the Limited Liability Partnership Agreement.

At the time of signing, the members proposed and paid distributions of £9,800,000 in 2020 relating to the earnings of the company in 2019 and 2020.

Review of the business

	2019	2018
	£	£
Revenue	14,980,063	15,367,824
Profit for the financial year before members remuneration and profit shares available for discretionary division among members	7,110,795	8,321,811
Net assets	7,395,057	6,300,913
Net assets attributable to members	64,130,619	67,719,824

Turnover

Turnover has decreased by 2.5%. This decrease is due to a reduced average power and ROC price. This is partially offset by improved generation volumes in the year.

Designated members
The members who held office during the year and up to the date of signature of the financial statements was as follows:

RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited)
Greencoat UK Wind Holdco Limited

Member's insurance
The members are indemnified to the extent permitted by law and the partnership’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 member in respect of liabilities which may attach to them in their capacity as members of the company. Neither the indemnities nor the insurance provide cover in the event that the member is proved to have acted fraudulently.

Post reporting date events
Details of non-adjusting events after the reporting date relating to COVID-19 and the change in ultimate parent company are provided in note 16.

Future developments

The LLP will continue to maintain and operate Middlemoor wind farm and Lindhurst wind farm with both wind farms expected to continue to generate electricity for the foreseeable future.

Members' drawings and capital policy

The members policy on drawings is dependent upon the working capital requirements of the business. The level of members' capital is determined by the members.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members 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, as applied to limited liability partnerships, the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing the financial statements, the members 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 limited liability partnership will continue in business.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

Financial risk management

(a) Interest rate risk

The company has no significant exposure to interest rate risk.

(b) Currency risk

The LLP has no significant exposure to currency risk as the majority of the LLP’s transactions and balances are denominated in sterling.

(c) Price risk

The Partnership's activities expose it to price risk arising from the sale of electricity and Renewable Obligations Certificates (ROCs). The directors monitor the effects of changes to electricity and ROC prices and consider that this risk is acceptable to the business at the individual entity level.

(d) Credit risk

The LLP has no significant exposure to credit risk.

(e) Liquidity and cash flow risk

The Partnership has no significant exposure to cash flow risk as the timing of receipt of revenues for electricity generation is incorporated into the power purchase agreement with RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited), a related party.

Going concern

The members have fully considered the risks and uncertainties of the LLP's cash flow forecasts and projections, taking into account of reasonable possible changes in average wind speeds. On this basis, the members have a reasonable expectation that the LLP 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. The going concern basis is considered to be appropriate by the members' as the LLP has net current assets of £7,395,057 (2018: £6,300,913) and financial obligations are forecast to be covered by operational cash flows.

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.

The partnership sells its electrical output and other associated benefits directly to another Group company, RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited), under power purchase agreements ("PPAs"). Whilst power prices are set using day ahead prices, Renewable Obligation Certificates ("ROCs") have a minimum guaranteed price. Accordingly, the partnership has to date been largely protected from the additional market volatility created by the COVID-19 pandemic.

Onsite operational and maintenance activities are undertaken by Vestas Celtic Wind Technology Ltd. This consists of regular planned maintenance, servicing, plant condition monitoring and unplanned repairs. On a daily basis this generally requires minimum manpower and can usually be undertaken whilst observing social distancing rules. In respect of the COVID-19 pandemic, the partnership has worked diligently to ensure only critical activities have continued during the height of the pandemic, and other activities have been scheduled only where proper social distancing could be maintained.

To date, the partnership has not seen a material impact on its operations as a result of COVID-19. The impact of COVID-19 on cashflow, debt recovery and overall project profitability has been assessed with no significant impact expected. Given the contracted and stable nature of the partnership's revenue and cost profile, no material impact from COVID-19 is expected on financial performance. The partnership'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 behalf of the board

B Freeman

B Freeman
For and on behalf of RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited)
(designated member)

25 September 2020

Report on the audit of the financial statements

Opinion

In our opinion, ML Wind LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership'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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2019; the Statement of comprehensive income, 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 limited liability partnership 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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 limited liability partnership's ability to continue as a going concern.

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 members 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 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.

Responsibilities of the members for the financial statements

As explained more fully in the Statement of members' responsibilities in respect of the financial statements, the members 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 members 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 members are responsible for assessing the limited liability partnership’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 members either intend to liquidate the limited liability partnership 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.

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. This description forms part of our auditors’ report.

Use of this report

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, 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 exemption reporting

Under the Companies Act 2006 as applicable to limited liability partnerships 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 limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.

James Cadzow

James Cadzow (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 September 2020

ML WIND LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Revenue		14,980,063	15,367,824
Cost of sales		(7,523,558)	(6,907,146)
Gross profit		7,456,505	8,460,678
Administrative expense		(31,225)	(91,261)
Profit before taxation	**4**	7,425,280	8,369,417
Finance income	**6**	8,226	5,664
Finance costs	**7**	(322,711)	(53,270)
Profit for the financial year before members remuneration and profit shares available for discretionary division among members		7,110,795	8,321,811
Members' remuneration charged as an expense		(10,700,000)	(14,500,000)
Profit or loss for the financial year available for discretionary division among members		(3,589,205)	(6,178,189)

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

ML WIND LLP

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

		2019		2018	
	Note	**£**	**£**	**£**	**£**
Non-current assets					
Property, plant and equipment	**9**		64,754,668		65,023,501
Current assets					
Trade and other receivables	**10**	4,383,710		3,706,246	
Cash and cash equivalents		4,134,182		3,415,350	
		8,517,892		7,121,596	
Current liabilities					
Trade and other payables	**11**	561,861		541,487	
Taxation and social security		443,692		279,196	
Lease liabilities	**12**	117,282		-	
		1,122,835		820,683	
Net current assets			7,395,057		6,300,913
Total assets less current liabilities			72,149,725		71,324,414
Non-current liabilities					
Lease liabilities	**12**	3,961,405		-	
			(3,961,405)		-
Provisions for liabilities					
Other provisions	**13**	4,057,701		3,604,590	
			(4,057,701)		(3,604,590)
Net assets attributable to members			64,130,619		67,719,824
Represented by:					
Members' other interests					
Other reserves classified as equity			64,130,619		67,719,824
Total Members' other interests			64,130,619		67,719,824
Total Member's Interests					
Amounts due from members	**14**		(4,154,918)		(3,442,277)
Members' other interests-other reserves classified as equity	**14**		64,130,619		67,719,824
Total Members' Interests			59,975,701		64,277,547

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2019

The financial statements were approved and signed by the member and authorised for issue on 25 September 2020

B Freeman
For and on behalf of RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited) (designated member)

Registration No. OC388824

ML WIND LLP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Members capital £	Members others interests £	Total members other interest £
Balance at 1 January 2018		46,897,975	27,000,038	73,898,013
Profit for the financial year before members remuneration and profit share available for discretionary division among Members		-	8,321,811	8,321,811
Distributions	**8**	(14,500,000)	-	(14,500,000)
Balance at 31 December 2018		32,397,975	35,321,849	67,719,824
Profit for the financial year before members remuneration and profit share available for discretionary division among Members		-	7,110,795	7,110,795
Distributions	**8**	(10,700,000)	-	(10,700,000)
Balance at 31 December 2019		21,697,975	42,432,644	64,130,619

1 Accounting policies

Partnership information

ML Wind LLP is a Limited Liability Partnership incorporated and domiciled in the United Kingdom. The registered office is Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, United Kingdom, SN5 6PB. The partnership's principal activities and nature of its operations are disclosed in the members report.

1.1 Accounting convention

The financial statements have been prepared in accordance with 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 partnership. Monetary amounts in these financial statements are rounded to the nearest £.

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

As permitted by FRS 101, the partnership 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 B67of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of innogy SE 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 innogy SE. The group financial statements of innogy SE are available to the public and can be obtained as set out in note 18.

1.2 Going concern

The going concern basis is considered to be appropriate by the members as the partnership has net current assets of £7,395,057 (2018: £6,300,913) and financial obligations are forecast to be covered by operational cash flows.

1 Accounting policies **(Continued)**

Going concern (continued)

To date, the partnership has not seen a material impact on its operations as a result of COVID-19. The impact of COVID-19 on cashflow, debt recovery and overall project profitability has been assessed with no significant impact expected. Given the contracted and stable nature of the partnership's revenue and cost profile, no material impact from COVID-19 is expected on financial performance. The partnership'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.

1.3 Revenue

Revenue comprises the fair value of the consideration received or receivable in respect of the invoiced and accrued value of generated electricity and Renewable Obligations Certificates (ROCs). Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the partnership.

Revenue represents income from a power purchase agreement relating to the generation of electricity from the wind farm site. Revenue comprises the value of units and ROCs supplied during the year and is recognised when the performance obligation has been satisfied, which is when the electricity is delivered. Units are determined by energy volumes recorded on the wind farm meters and market settlement systems. ROCs granted to the partnership are recognised as eligible electricity is generated and is immediately transferable to the customer.

Revenue is generated entirely within the United Kingdom.

1.4 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Main wind farm	20 Years
Decommission	20 Years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible assets

At each reporting end date, the partnership 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 partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies (Continued)

Impairment of tangible assets (continued)

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 partnership's statement of financial position when the partnership 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 financial year in which it arises.

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.

1 Accounting policies **(Continued)**

Financial assets (continued)

Financial assets at fair value through other comprehensive income

The partnership has made an irrevocable election to recognize 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 recognized 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 recognized through other comprehensive income are directly transferred to retained earnings when equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized 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 partnership recognises financial debt when the partnership 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'.

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 partnership 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 partnership’s obligations are discharged, cancelled, or they expire.

1 Accounting policies **(Continued)**

1.9 Provisions

A provision is made for the decommissioning of ML Wind LLP based on an assessment of the current cost of decommissioning. Decommissioning is expected to take place in 2033.

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning costs estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to the wind farm cost. The unwinding of the discount on the decommissioning provision is included as a finance cost.

1.10 Leases

At inception, the partnership assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the partnership recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the partnership's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the partnership is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the partnership's estimate of the amount expected to be payable under a residual value guarantee; or the partnership's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The partnership has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

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 partnership and have an effect on the current financial year or a prior financial year or may have an effect on future financial years:

IFRS 16 Leases

IFRS 16 Leases replaces IAS 17 Leases and the related interpretations IFRIC 4, SIC-15 and SIC-27. The partnership is applying the modified retrospective method in the initial adoption of the new standard from 1 January 2019. The comparatives for the 2018 financial year have not been restated, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

The new accounting policies are disclosed in note 1.

On adoption of IFRS 16, the partnership recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate, because the lease contracts do not contain readily determinable implicit financing rates, as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 6.54%.

Practical expedients applied

In applying IFRS 16 for the first time, the partnership has used the following practical expedients permitted by the standard:

Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;

Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and

Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

The partnership has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the partnership relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

Measurement of lease liabilities

The following reconciliation to the opening balance of lease liabilities as at 1 January 2019 results from the obligations from operating leases as at 31 December 2018.

Initial application of IFRS 16: Reconciliation	
	£
Operating lease commitments disclosed as at 31 December 2018 under IAS 17	7,298,898
Adjustments for:	
Effect of discounting lease liabilities	(2,681,630)
Different treatment of extension and termination options	(459,593)
Finance lease liabilities recognised as at 1 January 2019	4,157,675

2 Adoption of new and revised standards and changes in accounting policies (Continued)

Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability.

Adjustments recognised in the statement of financial position on 1 January 2019

First time application of IFRS 16 affected the following items in the statement of financial position on 1 January 2019:

Right-of-use assets (disclosed within property, plant and equipment) – increase by £4,157,675

Lease liabilities – increase by £4,157,675

There was no impact on retained earnings on 1 January 2019.

3 Critical accounting estimates and judgements

In the application of the partnership's accounting policies, the members 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 financial year in which the estimate is revised, if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Property, Plant and Equipment
Property, plant and equipment represent a significant proportion of the assets of the partnership. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the partnership's financial position and performance.

Estimation of useful economic life
The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the profit and loss account. The useful lives and residual values of the partnership's assets are determined by management at the time the asset is acquired and is based on the shorter of technical life, economic life and contractual rights. This is then reviewed annually for appropriateness and extended to the extent that the contractual rights allow it to be extended if considered appropriate.

3 Critical accounting estimates and judgements (Continued)

Decommissioning provision

Amounts used in recording a provision for decommissioning of wind farms are estimates based on current legal and constructive requirements. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of decommissioning provisions are reviewed on a regular basis. The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively over the estimated remaining useful lives for each wind farm. While the partnership uses its best estimates and judgement, actual results could differ from these estimates. In estimating decommissioning provisions, the partnership applied an annual average inflation rates of 2.00% (2018: 2.00%) and an average annual discount rates of 0.77% (2018: 1.50%).

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the partnership's auditors for the audit of the partnership's financial statements	14,730	21,000
Depreciation of property, plant and equipment	4,825,549	4,549,737

5 Employees

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

6 Finance income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	8,226	5,664

7 Finance costs

	2019	2018
	£	£
Interest on other financial liabilities:		
Interest on lease liabilities	268,642	-
Other finance costs:		
Unwinding of discount on provisions	54,069	53,270
Total finance costs	322,711	53,270

8 **Distributions**	**2019 per share**	**2018 per share**	**2019 £**	**2018 £**
Amounts recognised as distributions to equity holders:				
Interim distribution paid	535.00	725.00	10,700,000	14,500,000

9 Property, plant and equipment

	Main wind farm £	**Decommission £**	**Total £**
Cost			
At 31 December 2018	85,672,512	2,935,810	88,608,322
Recognition of right of use assets on adoption of IFRS16	4,157,675	-	4,157,675
Opening balance as at 1 January 2019 including adoption of IFRS16	89,830,187	2,935,810	92,765,997
Additions	-	399,041	399,041
At 31 December 2019	89,830,187	3,334,851	93,165,038
Accumulated depreciation and impairment			
At 1 January 2019	22,370,730	1,214,091	23,584,821
Charge for the year	4,682,836	142,713	4,825,549
At 31 December 2019	27,053,566	1,356,804	28,410,370
Carrying amount			
At 31 December 2019	62,776,621	1,978,047	64,754,668
At 31 December 2018	63,301,782	1,721,719	65,023,501

Property, plant and equipment includes right-of-use assets, as follows:

Right-of-use assets	**2019 £**	**2018 £**
Net values		
Right of use asset	3,890,950	-
Additions	4,157,675	-
Depreciation charge for the year		
Right of use asset	266,724	-

10 Trade and other receivables

	2019	2018
	£	£
Trade receivables	125,326	125,326
Amount owed by parent undertaking	4,224,189	3,478,268
Prepayments and accrued income	34,195	102,652
	4,383,710	3,706,246

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 partnership will not be able to collect all amounts due according to the original terms of the receivables.

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

Amounts owed by parent undertakings are unsecured, interest free and repayable on demand.

11 Trade and other payables

	2019	2018
	£	£
Trade payables	2,566	64,157
Amount owed to parent undertaking	45,640	23,872
Amounts owed to fellow group undertakings	23,630	12,118
Accruals and deferred income	490,025	441,340
VAT Payable	443,692	279,196
	1,005,553	820,683

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Amounts owed to fellow group undertakings and parent undertaking are unsecured, interest free and repayable on demand.

12 Lease liabilities

Maturity analysis	2019 £	2018 £
Within one year	347,630	-
In two to five years	1,703,227	-
In over five years	4,440,817	-
Total undiscounted liabilities	6,491,674	-
Future finance charges and other adjustments	(2,412,987)	-
Lease liabilities in the financial statements	4,078,687	-

Lease liabilities 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 £	2018 £
Current liabilities	117,282	-
Non-current liabilities	3,961,405	-
	4,078,687	-

Amounts recognised in profit or loss include the following:	2019 £	2018 £
Interest on lease liabilities	268,642	-

Other leasing information is included in note 15.

13 Provisions for liabilities

	2019 £	2018 £
Decommissioning provision	4,057,701	3,604,590

13 Provisions for liabilities **(Continued)**

Movements on provisions:	Decommissioning provision £
At 1 January 2019	3,604,590
Additional provisions in the year	399,042
Unwinding of discount	54,069
At 31 December 2019	4,057,701

14 Reserves

	Members' other interests £	Members' Capital £	Other amounts due (from) / to Members £	Total £
At 1 January 2019	35,321,849	32,397,975	(3,442,277)	64,277,547
Profit for the financial year before members remuneration and profit shares available for discretionary division among Members	7,110,795	-	-	7,110,795
Increase in amounts owed by members	-	-	(712,641)	(712,641)
Distributions	-	(10,700,000)	-	(10,700,000)
At 31 December 2019	42,432,644	21,697,975	(4,154,918)	59,975,701

15 Other leasing information

Lessee

Amounts recognised in profit or loss as an expense during the financial year in respect of lease arrangements are as follows:

	2019 £	2018 £
Expense relating to short-term leases	433,160	-
Expense relating to variable lease payments not included in lease liabilities	48,742	-

The expenses above are included in the cost of sales. In 2018, before the adoption of IFRS 16, all non-cancellable operating lease expenses amounted to £421,270 and are included in the cost of sales. Leases include leases of land on which Middlemoor Wind Farm Limited wind farm and Lindhurst wind farm are situated. These lease contracts include a fixed element which is subject to annual indexation, and a variable element, which is calculated based on the volume of generated electricity. The latter is excluded from the lease liability and expensed in the period to which it relates.

15 Other leasing information **(Continued)**

Information relating to lease liabilities is included in note 12.

16 Events after the reporting date

Important non-adjusting events after the reporting period

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.

Restrictions in the UK have been slowly eased whilst the rate of infection has stabilised. To date, the partnership has not seen a material impact on its operations as a result of COVID-19. Given the contracted and stable nature of the partnership's revenue and cost profile, no material impact from COVID-19 is expected on financial performance. The partnership'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.

17 Related party transactions

During the year the partnership entered into the following transactions with related parties:

	Sale of goods		Purchase of goods and services	
	2019	2018	2019	2018
	£	£	£	£
Parent company	14,980,062	15,242,497	508,739	505,547
Other related parties	-	-	90,662	59,543
	14,980,062	15,242,497	599,401	565,090

17 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	**2019 £**	**2018 £**
Parent company	45,640	23,872
Other related parties	23,630	12,118
	69,270	35,990

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2019 £**	**2018 £**
Parent company	4,224,189	3,478,268

18 Controlling party

As at 31 December 2019, 51% of ML Wind LLP share capital was owned by RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited) and 49% by Greencoat UK Wind Holdco Limited.

The partnership's immediate parent is RWE Renewables UK Swindon Limited (formerly Innogy Renewables UK Limited)

The ultimate parent company and controlling party is RWE AG, a company incorporated in Germany, which is the parent company of the smallest and largest group to consolidate these financial statements. Copies of the RWE AG's financial statements are available upon request from RWE AG, RWE Platz 1, 45141 Essen, Germany.