

Company Registration No. 05266294 (England and Wales)

**RWE RENEWABLES UK WIND SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# RWE RENEWABLES UK WIND SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R Crowhurst A Greenslade T Lodwick	(Appointed 23 March 2022) (Appointed 1 May 2022)
<b>Secretary</b>	P Sainsbury	
<b>Company number</b>	05266294	
<b>Registered office</b>	Greenwood House Westwood Way Westwood Business Park Coventry United Kingdom CV4 8PB	
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London United Kingdom WC2N 6RH	

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# RWE RENEWABLES UK WIND SERVICES LIMITED

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# RWE RENEWABLES UK WIND SERVICES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report for the year ended 31 December 2021.

### Review of the business

The company is entirely owned by a sole shareholder, RWE Renewables UK Limited.

The company's principal activity during the year and at the year end was supply of maintenance, operations and management services to UK based wind farms.

The results for the year are presented on page 11 of the financial statements. The position of the company as at 31 December 2021 is provided on page 12 of the financial statements.

Further information regarding the financial position of the company at the year end is provided in the Directors' Report. The directors believe that the present level of activity will be sustained for the foreseeable future.

On 8 June 2021, the name of the company was changed from RWE Renewables UK Wind Limited to RWE Renewables UK Wind Services Limited.

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Revenue	47,190	47,712
Profit for the financial year	17,534	11,290
Net assets	10,482	32,949

The decrease in revenue for the year primarily reflects decreases in services provided to operational windfarms. An increase in profit and total comprehensive income is a result of lower maintenance and repair costs in the current year. Contracts for services remain the same as the prior year.

Net assets have decreased primarily as a result of dividends paid during the year of £40,000k partially offset by assets generated from operations.

### Principal risks and uncertainties

Non-compliance with statutory Health, Safety and Environment (HSE) obligations is a principal risk. The company operates a comprehensive HSE management system, and actively monitors its performance in order to identify and implement improvements.

### Risks related to climate change

The company is exposed to direct and indirect long-term risks related to the effects of climate change, such as more frequent and intense weather events, and rising sea levels. The company mitigates the financial risk of interruption to service provision by procuring insurance where possible. The company monitors average wind speeds and sea conditions on a year-on-year basis, which inform its long-term forecasts. The directors do not consider the effects of climate change to pose a direct risk to operations in the foreseeable future. The output of the company's customers contributes to the growing proportion of renewable energy generated in the UK, aligned with the UK government's Net Zero strategy.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Brexit**

Risks to the company resulting from the UK's departure from the EU in 2020 are not considered significant. The introduction of new customs procedures has not had a significant impact on the sourcing of materials, and the residual risk of future changes to tariffs continues to be monitored by the directors. Changes to economic forecast assumptions resulting from Brexit such as foreign exchange, inflation, interest rates and economic growth have been factored into the company's business plans and forecasts.

### **Current market and political risks**

Significant uncertainty exists following the Russian invasion of Ukraine in February 2022. Many countries including the UK imposed economic sanctions on Russia. Uncertainty concerning commodity deliveries from Russia has caused a significant increase in gas and electricity prices. In some European countries, including the UK, governments are working on measures to reduce dependency on Russian oil and gas imports. It is not possible to predict the development of the Ukraine conflict or its consequences. The company has no business relationships with Russian or Ukrainian companies and is not exposed to direct risks to its activities arising from the conflict or the economic sanctions.

As a result of both the crisis in Ukraine and global industrial contraction during the pandemic, inflation is predicted to increase in the short-to-medium term. The directors anticipate that this will adversely affect the prices at which the company procures goods and services, including through index-linked contracts, and have factored this into the business plan and forecasts.

### **Promoting the success of the company and section 172(1) statement of the Companies Act 2006 (section 172)**

#### ***S172(1) a "The likely consequences of any decision in the long term"***

The UK strategy is aligned with the wider RWE Group strategy and is intended to maintain and strengthen the position as a leading renewable energy company, while keeping safety and social responsibility fundamental to the core business approach.

In the prior year, the directors approved the 2022-2024 business plan as part of the annual planning process with input from the company's shareholder. The business plan was designed to have a long-term beneficial impact on the company whilst seeking to optimise and improve the existing asset. The directors continue to operate the business within tight budgetary controls and in line with regulatory targets.

The planning process takes into account the impact of the company's operations on the community and environment.

#### ***S172(1) b "The interests of the company's employees"***

The company does not directly employ any staff but is recharged for staff costs by an associated company, RWE Renewables Management UK Limited. The directors recognise that employees are fundamental and core to the business and delivery of strategic ambitions. The success of the business depends on attracting, retaining and motivating employees. From ensuring that the company remains a responsible employer, to pay and benefits and to the health, safety and workplace environment, the directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

#### ***S172(1) c "The need to foster the company's business relationships with suppliers, customers and others"***

Delivering the strategy requires good relationships with suppliers, customers, government departments and local communities. The directors assess the priorities related to the relevant stakeholders with whom the company does business, and, where applicable, a member of the board ensures close collaboration with the stakeholders on these particular topics.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **S172(1) d “The impact of the company’s operations on the community and the environment”**

The directors ensure that Environmental, Health and Safety, and social responsibility policy and plans adopted are in place to help protect both people and the environment.

Health, Safety and Environment is a primary concern for the directors who set policies for the benefit of all employees and stakeholders working on behalf of the company. The company operates a comprehensive HSE management system, and actively monitors its performance in order to identify and implement improvements.

The directors actively engage with the local community where the company’s proposed business activities are likely to impact on them.

### **S172(1) e “The desirability of the company maintaining a reputation for high standards of business conduct”**

The directors have adopted clear plans, policies and frameworks, such as the RWE Code of Conduct, specific ethics and compliance directives, and the Modern Slavery Statement, to ensure that high standards are maintained internally and across external business relationships.

The Renewables division of the RWE group has a designated Compliance Officer to ensure that both the way in which decisions are taken and how the company acts promote high standards of business conduct. This is also augmented by Compliance (business ethics) training that is mandatory for all employees to undertake annually.

The directors recognise their role in ensuring the desired culture is embedded in the values, attitudes and behaviours the company demonstrates, including external activities and stakeholder relationships.

### **S172(1) f “The need to act fairly as between members of the Company”**

The company is held directly by a single member, and has one ultimate parent company, RWE AG. After weighing up all relevant factors, the directors consider which course of action best enables delivery of the company’s strategy through the long-term, taking into consideration the impact on the RWE group. In doing so, the directors act fairly as between the immediate company’s member and the ultimate parent.

On behalf of the board



T Lodwick

**Director**

23 December 2022

# RWE RENEWABLES UK WIND SERVICES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their Annual Report and the audited financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company continued to be that of delivering maintenance, operations and management services.

#### **Results and dividends**

The results for the year are set out on page 11.

During the year ended 31 December 2021, the company paid ordinary dividend of £40,000k (2020:£nil).

#### **Directors**

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

A J Chatterton	(Resigned 30 November 2022)
R Crowhurst	(Appointed 23 March 2022)
B Freeman	(Resigned 30 April 2022)
A Greenslade	
T Lodwick	(Appointed 1 May 2022)
S Prousch	(Resigned 22 March 2022)

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Directors' insurance**

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

#### **Financial instruments**

##### ***Financial risk management***

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The company's operations expose it to a few financial risks which are set out below.

##### ***Liquidity and cash flow risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

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

The company is exposed to cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The directors consider this risk acceptable to the company, which does not seek to hedge exposure to fluctuations in interest rates.

##### ***Currency risk***

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Credit risk**

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade Receivables are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

### **Post reporting date events**

On 15 August 2022 the company entered into a long-term lease for land at Royal Dock in Grimsby for the purpose of provided maintenance and operations services to wind farms. The lease term is 36 years and includes early termination options exercisable by the company. The initial lease liability and right of use asset recognised at the commencement date was £2,081k.

### **Future developments**

The company will continue to operate as a maintenance, operations and management service company in 2022 and in subsequent years.

### **Independent Auditors**

The 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

### **Going concern**

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, being at least 12 months from date of signing. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

The COVID-19 pandemic, which has persisted for more than two years, continues to expose the company to risks, although the risks are considered to be manageable, primarily as a result of successful vaccination programmes. Supply chain pressures and periods of staff absence from the company's service providers have not materially affected the reliable operation and availability level of the wind farm. As a result of comprehensive preventive measures and contingency plans, the company and its service providers have been able to continue operating effectively and profitably, and the directors are confident that the company can continue to do so for the foreseeable future.



# RWE RENEWABLES UK WIND SERVICES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 regulation.

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, 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 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 also 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.

### **Energy and carbon report**

The company had no reportable energy consumption or emissions for the year ended 31 December 2021, as required by the UK Government Streamlined Energy and Carbon Reporting (SECR) requirements.

On behalf of the board



T Lodwick  
**Director**

23 December 2022

# RWE RENEWABLES UK WIND SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF RWE RENEWABLES UK WIND SERVICES LIMITED

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## Report on the audit of the financial statements

### Opinion

In our opinion, RWE Renewables UK Wind Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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, including 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 2021; 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

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

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

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

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

# **RWE RENEWABLES UK WIND SERVICES LIMITED**

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

### **TO THE MEMBERS OF RWE RENEWABLES UK WIND SERVICES 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF RWE RENEWABLES UK WIND SERVICES LIMITED

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#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, environmental regulations, health and safety regulations, and data protection regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Understanding and evaluating controls designed to prevent fraud and detect irregularities and fraud;
- Assessing significant judgments and estimates involved in preparing the financial statements; and
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF RWE RENEWABLES UK WIND SERVICES LIMITED

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#### 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 obtained 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.



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

23 December 2022

# RWE RENEWABLES UK WIND SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £000	2020 £000
<b>Revenue</b>		47,190	47,712
Cost of sales		(19,197)	(24,505)
		<u>          </u>	<u>          </u>
<b>Gross profit</b>		27,993	23,207
Administrative expense		(6,020)	(9,117)
		<u>          </u>	<u>          </u>
<b>Operating profit</b>	<b>4</b>	21,973	14,090
Finance income	<b>7</b>	-	33
Finance costs	<b>8</b>	(400)	(243)
		<u>          </u>	<u>          </u>
<b>Profit before taxation</b>		21,573	13,880
Tax on profit	<b>9</b>	(4,039)	(2,590)
		<u>          </u>	<u>          </u>
<b>Profit and total comprehensive income for the financial year</b>		<u>          </u> <u>          </u>	<u>          </u> <u>          </u>

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

# RWE RENEWABLES UK WIND SERVICES LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £000	£000	2020 £000	£000
<b>Fixed assets</b>					
Property, plant and equipment	11		289		1,499
<b>Current assets</b>					
Inventories	12	2,385		1,799	
Deferred tax asset	16	253		232	
Trade and other receivables	13	37,120		48,172	
Cash and cash equivalents		301		-	
		<u>40,059</u>		<u>50,203</u>	
<b>Current liabilities</b>					
Trade and other payables	14	25,566		13,956	
Taxation and social security	9	2,664		3,273	
Lease liabilities	15	195		1,197	
Deferred income	17	1,441		120	
		<u>29,866</u>		<u>18,546</u>	
<b>Net current assets</b>			10,193		31,657
<b>Total assets less current liabilities</b>			10,482		33,156
<b>Non-current liabilities</b>					
Lease liabilities	15	-		207	(207)
		<u>-</u>		<u>207</u>	
<b>Net assets</b>			10,482		32,949
<b>Equity</b>					
Called up share capital	18		1,592		1,592
Share premium account			338		338
Retained earnings			8,552		31,019
			<u>10,482</u>		<u>32,949</u>
<b>Total equity</b>			10,482		32,949

The financial statements were approved by the board of directors and authorised for issue on 23 December 2022 and are signed on its behalf by:



T Lodwick  
Director

Company Registration No. 05266294

# RWE RENEWABLES UK WIND SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	Called up share capital £000	Share premium account £000	Retained earnings £000	Total £000
<b>Balance at 1 January 2020</b>		1,592	338	19,728	21,658
<b>Year ended 31 December 2020:</b>					
Profit and total comprehensive income for the year		-	-	11,290	11,290
<b>Balance at 31 December 2020</b>		1,592	338	31,018	32,948
<b>Year ended 31 December 2021:</b>					
Profit and total comprehensive income for the year		-	-	17,534	17,534
Dividends	10	-	-	(40,000)	(40,000)
<b>Balance at 31 December 2021</b>		1,592	338	8,552	10,482

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# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

RWE Renewables UK Wind Services Limited (formerly RWE Renewables UK Wind Limited) is a private company, limited by shares incorporated and domiciled in the United Kingdom. The registered office is Greenwood House Westwood Way, Westwood Business Park, Coventry, United Kingdom, CV4 8PB. 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 Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and in accordance with the Companies Act 2006.

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, related party transactions, revenue from contracts with customers and leases.

- 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;
  
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

Where required, equivalent disclosures are given in the group accounts of RWE AG. The group accounts of RWE AG are available to the public and can be obtained as set out in note 20.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.2 Going concern

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, being at least 12 months from date of signing. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

#### COVID-19

The COVID-19 pandemic, which has persisted for more than two years, continues to expose the company to risks, although the risks are considered to be manageable, primarily as a result of successful vaccination programmes. Supply chain pressures and periods of staff absence have not materially affected service provision to the company's key customers. As a result of comprehensive preventive measures and contingency plans, the company has been able to continue operating effectively and profitably, and the directors are confident that the company can continue to do so for the foreseeable future.

#### 1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Performance obligations relating to service contracts with customers are typically satisfied over time. Revenue from fees relating to regular maintenance, operations and management services is recognised using the output basis. Revenue arising from fees relating to extraordinary services as a result of specified maintenance campaigns is recognised using the input basis. Variable consideration arising from the achievement of certain operating performance measures, as specified in the company's contracts, is allocated to revenue from fees relating to regular maintenance, operations and management services over the course of the term to which the variable consideration relates.

##### *Deferred revenue*

Income received in advance of the reporting period is credited to a deferred revenue account and recognised in the profit and loss account in the period to which it relates.

##### *Accrued income*

Income recognised in advance of receipt is debited to an accrued income account and recognised in the profit and loss account in the period to which it relates.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 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 of property, plant and equipment is provided on a straight line basis to write off the cost less the estimated residual value of the assets by equal instalments over their estimated useful economic life as follows:

Windcat Vessels	straight line over 3 years
-----------------	----------------------------

#### 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 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.7 Cash and cash equivalents

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

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.8 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***

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is 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.

##### ***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 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 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 the 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.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### ***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.

#### **1.9 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'.

#### ***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.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised through profit or loss, 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.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### **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.

#### 1.12 Leases

At inception, the company 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 company 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 company'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 company 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 company's estimate of the amount expected to be payable under a residual value guarantee; or the company'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 company 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.

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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

#### Standards which are in issue but not yet effective

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 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 were no critical judgements or estimates made by the directors in the process of applying the company's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

### 4 Operating profit

	2021	2020
	£000	£000
Operating profit for the year is stated after charging:		
Exchange (gains)/losses	(28)	119
Fees payable to the company's auditors for the audit of the company's financial statements	35	20
Depreciation of property, plant and equipment	1,264	1,247
	<u>          </u>	<u>          </u>

### 5 Employees

The company has no employees for the year under review (2020: none).

### 6 Directors' remuneration

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Directors' remuneration (Continued)

The directors did not receive any emoluments in respect of their services to the company (2020: £nil). Due to the complexity of the company structure in the UK and how the directors spend their time, directors' emoluments have not been specifically allocated to the company and have been paid out of another related entity, RWE Renewables Management UK Limited.

### 7 Finance income

	2021 £000	2020 £000
<b>Interest income</b>		
Interest receivable from group companies	-	33
	<u>          </u>	<u>          </u>

### 8 Finance costs

	2021 £000	2020 £000
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	381	173
<b>Interest on other financial liabilities:</b>		
Interest on lease liabilities	19	70
	<u>          </u>	<u>          </u>
Total interest expense	400	243
	<u>          </u>	<u>          </u>

### 9 Tax on profit

	2021 £000	2020 £000
<b>Current tax</b>		
UK corporation tax on profits for the current year	4,060	2,426
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	39	164
Changes in tax rates	(60)	-
	<u>          </u>	<u>          </u>
	(21)	164
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	4,039	2,590
	<u>          </u>	<u>          </u>

The tax charge for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:



# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Tax on profit (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation	21,573	13,880
Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%)	4,099	2,637
Difference between current and deferred tax rates	-	(16)
Impact of change in UK tax rate	(60)	(24)
Adjustments in respect of previous periods (CT)	-	(69)
Adjustments in respect of previous periods (DT)	-	62
<b>Taxation charge for the year</b>	<b>4,039</b>	<b>2,590</b>

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

On 3 March 2021, the UK Government announced that the main rate of corporation tax would increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 and therefore the deferred tax has been measured at 25%.

#### Taxation and social security:

Taxation and social security, included within current liabilities in the balance sheet, comprises VAT payable of £2,664k corporation tax payable of £nil (2020: VAT payable of £778k and corporation tax payable of £2,495k). Corporation tax in both the current and prior periods is borne by the company's parent company RWE Renewables UK Limited and subsequently recharged to the company.

#### 10 Dividends

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>per share</b>	<b>per share</b>	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Ordinary shares</b>				
Interim dividend paid	25.13	-	40,000	-

#### 11 Property, plant and equipment

	<b>Vessels</b>
	<b>£000</b>
<b>Cost</b>	
At 31 December 2020	3,788
Additions	54
At 31 December 2021	3,842

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Property, plant and equipment	(Continued)
	<b>Vessels</b>
	<b>£000</b>
<b>Accumulated depreciation</b>	
At 31 December 2020	2,289
Charge for the year	1,264
	<u>          </u>
At 31 December 2021	3,553
	<u>          </u>
<b>Carrying amount</b>	
At 31 December 2021	289
	<u>          </u>
At 31 December 2020	1,499
	<u>          </u>

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

<b>Right-of-use assets</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Net values</b>		
Windcat Vessels	189	1,499
	<u>          </u>	<u>          </u>
<b>Depreciation charge for the year</b>		
Windcat Vessels	1,262	1,245
	<u>          </u>	<u>          </u>
<b>12 Inventories</b>		
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Consumables and spare parts	2,385	1,799
	<u>          </u>	<u>          </u>

Inventories are related to spare parts to be used in the operation and maintenance of wind farms.

During the financial year inventory increased by £586k (2020: £1,702k)

Inventories recognised as an expense for the year were £1,697k (2020: £409k)

There were no inventory write downs in the year (2020: £nil).

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Trade and other receivables

	Current		Non-current	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade receivables	1,031	4,613	-	-
Amount owed by parent undertaking	30,951	39,090	-	-
Amounts owed by fellow group undertakings	5,039	4,259	-	-
Other receivables	-	99	-	-
Prepayments and accrued income	99	111	-	-
Deferred tax asset	-	-	253	232
	<u>37,120</u>	<u>48,172</u>	<u>253</u>	<u>232</u>

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. Expected credit losses on related party receivables are considered insignificant to the company. Amounts owed from group undertakings include accrued income of £2,645k (2020: £2,766k) which relates to contract assets for services performed under contract with customer.

Performance obligations partially satisfied at 31 December 2021 include regular maintenance, operations and management services relating to wind farm customers as well as extraordinary services relating to specified maintenance campaigns

Amounts owed by fellow group undertakings and parent undertakings are unsecured, interest free and repayable on demand. £1,786k payable to RWE Renewables UK Limited has been deducted from the amount owed by the parent undertaking as it relates to VAT payable that is borne by the company's parent, subsequently recharged to the company and settled on a net basis.

### 14 Trade and other payables

	2021	2020
	£000	£000
Trade payables	711	2,626
Amount owed to parent undertaking	6,555	-
Amounts owed to fellow group undertakings	10,537	5,336
Accruals	7,763	5,984
Other payables	-	10
	<u>25,566</u>	<u>13,956</u>

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Trade and other payables

(Continued)

Trade and other payables are obligations to pay for goods and 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 business if longer). If not, they are presented as non-current liabilities.

Amounts owed to parent undertaking includes £6,555k which relates to corporation tax payable, which is borne by the parent company RWE Renewables UK Limited and subsequently recharged to the company.

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

### 15 Lease liabilities

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Maturity analysis</b>		
Within one year	195	1,197
In two to five years	-	207
	<u>195</u>	<u>1,404</u>
<b>Total undiscounted liabilities</b>	<u>195</u>	<u>1,404</u>

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:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Current liabilities	195	1,197
Non-current liabilities	-	207
	<u>195</u>	<u>1,404</u>

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>19</u>	<u>70</u>

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting year.

	DCAs £000	Other £000	Total £000
Deferred tax asset at 1 January 2020	(234)	(162)	(396)
<b>Deferred tax movements in prior year</b>			
Charge to profit or loss	43	145	188
Effect of change in tax rate - profit or loss	(24)	-	(24)
	<u>(215)</u>	<u>(17)</u>	<u>(232)</u>
Deferred tax asset at 31 December 2020			
<b>Deferred tax movements in current year</b>			
Charge/(credit) to profit or loss	43	(3)	40
Effect of change in tax rate - profit or loss	(55)	(6)	(61)
	<u>(227)</u>	<u>(26)</u>	<u>(253)</u>
Deferred tax asset at 31 December 2021	<u><u>(227)</u></u>	<u><u>(26)</u></u>	<u><u>(253)</u></u>

#### 17 Deferred income

	2021 £000	2020 £000
Arising from maintenance services	1,441	120
	<u>1,441</u>	<u>120</u>

Revenue of £nil was recognised during the year ended 31 December 2021 relating to contract liabilities at the beginning of the year. Contract liabilities have arisen from contracts with fellow group undertakings.

#### 18 Called up share capital

	2021 Number	2020 Number	2021 £000	2020 £000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	1,591,673	1,591,673	1,592	1,592
	<u>1,591,673</u>	<u>1,591,673</u>	<u>1,592</u>	<u>1,592</u>
	<u><u>1,591,673</u></u>	<u><u>1,591,673</u></u>	<u><u>1,592</u></u>	<u><u>1,592</u></u>

# RWE RENEWABLES UK WIND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Related party transactions

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

	Sale of services		Purchase of services	
	2021	2020	2021	2020
	£000	£000	£000	£000
Other related parties	45,889	16,164	8,595	4,644

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£000	£000
Parent company	6,555	-
Other related parties	10,537	5,336
	<u>17,092</u>	<u>5,336</u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	£000	£000
Parent company	30,951	41,517
Other related parties	5,039	4,351
	<u>35,990</u>	<u>45,868</u>

#### 20 Controlling party

The company's immediate parent is RWE 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 largest and smallest group to consolidate these financial statements. Copies of RWE AG's financial statements are available upon request from RWE AG, RWE Platz 1, 45141 Essen, Germany.

#### 21 Post reporting date events

On 15 August 2022 the company entered into a long-term lease for land at Royal Dock in Grimsby for the purpose of provided maintenance and operations services to wind farms. The lease term is 36 years and includes early termination options exercisable by the company. The initial lease liability and right of use asset recognised at the commencement date was £2,081k.