

REGISTERED NUMBER: SO304001 (Scotland)

**REPORT OF THE MEMBERS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
INVERCLYDE RENEWABLES LLP**

Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ



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for the year ended 31 December 2020

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INVERCLYDE RENEWABLES LLP
GENERAL INFORMATION
for the year ended 31 December 2020

DESIGNATED MEMBERS: Inverclyde Windfarm Limited
L V Chetwode
L H S Stewart
N Wright

REGISTERED OFFICE: Suite G Riverview House
Friarton Road
Perth
Scotland
PH2 8DF

REGISTERED NUMBER: SO304001 (Scotland)

AUDITORS: Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

REPORT OF THE MEMBERS
for the year ended 31 December 2020

The members present their report with the financial statements of the LLP for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of the development, construction and operation of a wind farm.

DESIGNATED MEMBERS

The designated members during the year under review were:

Inverclyde Windfarm Limited
L V Chetwode
L H S Stewart
N Wright

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £168,057 (2019 - £92,000 loss).

MEMBERS' INTERESTS

Each member's share of the profit or loss is determined by their subscription to the capital of the LLP and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 31 December 2020 are set out in the Reconciliation of Members' Interests in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Losses are borne by the LLP and not allocated to the members.

Upon winding up of the LLP, surplus assets of the LLP will be distributed amongst the members in accordance with the terms of the Members' Agreement.

The operating cash requirements of the LLP are anticipated to be met out of the trading activities and cash flows. No member shall be required to make any further funding available after their admission as a member (save to the extent of their liability on winding up).

GOING CONCERN

In making their assessment of going concern the designated members have considered the progress of development and construction of the wind farm, future projections of financial performance over the life of the wind farm and events subsequent to the balance sheet date.

Development of the wind farm has been completed in the year with the commissioning start date being the 20th November 2020. The commercial operations date occurred after the year end on 9th February 2021. Forecasts have been prepared, with consideration of the financial impact of COVID-19, and the members have concluded there to be no material events that would cast doubt on the ability of the LLP to continue as a going concern.

The LLP has been reliant on a loan provided by Inverclyde Windfarm Limited, a designated member. Inverclyde Windfarm Limited has given assurance that it will not seek repayment of the loan unless Inverclyde Renewables LLP are in a position to repay it. Consequently, the financial statements have been prepared on a going concern basis.

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

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

REPORT OF THE MEMBERS
for the year ended 31 December 2020

MEMBERS' RESPONSIBILITIES STATEMENT - continued

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Magma Audit LLP, were appointed after the year end will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE MEMBERS:



.....
Inverclyde Windfarm Limited - Designated member

Date: 22 April 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVERCLYDE RENEWABLES LLP

Opinion

We have audited the financial statements of Inverclyde Renewables LLP (the 'LLP') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Reconciliation of Members' Interests and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on pages two and three, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine 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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INVERCLYDE RENEWABLES LLP

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 a Report of the Auditors 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 LLP and the industry, we identified the principle risks of non-compliance with laws and regulations, and 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 preparation of 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 principle risks were related to posting inappropriate journal entries, and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation, and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, or with unusual descriptions;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the carrying value of tangible fixed assets.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Magma Audit LLP

Richard Lodder (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: 26th April 2021.....

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
TURNOVER		180	-
Administrative expenses		(12)	(3)
OPERATING PROFIT/(LOSS)	3	168	(3)
Interest payable and similar expenses	4	-	(89)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		168	(92)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		168	(92)
Members' remuneration charged as an expense	5	(168)	-
LOSS FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		-	(92)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	(92)

The notes form part of these financial statements

INVERCLYDE RENEWABLES LLP (REGISTERED NUMBER: SO304001)

**BALANCE SHEET
31 December 2020**

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible assets	6	24,131	8,249
CURRENT ASSETS			
Debtors	7	290	740
Cash at bank		2,091	13
		<u>2,381</u>	<u>753</u>
CREDITORS			
Amounts falling due within one year	8	(26,643)	(9,838)
NET CURRENT LIABILITIES		<u>(24,262)</u>	<u>(9,085)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(131)	(836)
PROVISIONS FOR LIABILITIES	10	<u>(587)</u>	-
NET LIABILITIES ATTRIBUTABLE TO MEMBERS		<u>(718)</u>	<u>(836)</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	11	118	-
MEMBERS' OTHER INTERESTS			
Capital accounts		30	30
Other reserves		(866)	(866)
		<u>(718)</u>	<u>(836)</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	11	118	-
Members' other interests		(836)	(836)
		<u>(718)</u>	<u>(836)</u>

The financial statements were approved by the members of the LLP and authorised for issue on 21 April 2021 and were signed by:

Wayne Cranston

.....
Inverclyde Windfarm Limited - Designated member

The notes form part of these financial statements

RECONCILIATION OF MEMBERS' INTERESTS
for the year ended 31 December 2020

	EQUITY		
	Members' capital (classified as equity)	Members' other interests	
	£'000	Other reserves £'000	Total £'000
Balance at 1 January 2020	30	(866)	(836)
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	-	-
Members' interests after profit for the year	30	(866)	(836)
Drawings	-	-	-
Balance at 31 December 2020	30	(866)	(836)

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors	
	Other amounts £'000	Total £'000
Amount due to members	-	
Amount due from members	-	
Balance at 1 January 2020	-	(836)
Members' remuneration charged as an expense, including employment and retirement benefit costs	168	168
Profit for the financial year available for discretionary division among members	-	-
Members' interests after profit for the year	168	(668)
Drawings	(50)	(50)
Amount due to members	118	
Amount due from members	-	
Balance at 31 December 2020	118	(718)

The notes form part of these financial statements

INVERCLYDE RENEWABLES LLP (REGISTERED NUMBER: SO304001)

RECONCILIATION OF MEMBERS' INTERESTS
for the year ended 31 December 2020

	EQUITY		
	Members' capital (classified as equity) £'000	Members' other interests Other reserves £'000	Total £'000
Balance at 1 January 2019	30	(774)	(744)
Loss for the financial year available for discretionary division among members	-	(92)	(92)
Members' interests after loss for the year	30	(866)	(836)
Balance at 31 December 2019	30	(866)	(836)

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors Other amounts £'000	Total £'000
Amount due to members	-	
Amount due from members	-	
Balance at 1 January 2019	-	(744)
Loss for the financial year available for discretionary division among members	-	(92)
Members' interests after loss for the year	-	(836)
Amount due to members	-	
Amount due from members	-	
Balance at 31 December 2019	-	(836)

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

1. STATUTORY INFORMATION

Inverclyde Renewables LLP is a limited liability partnership, limited by members' capital, registered in Scotland. The address of the registered office is Suite G Riverview House, Friarton Road, Perth, Scotland, PH2 8DF.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention.

The financial statements are denominated in Sterling (£) as this is the functional currency of the LLP. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

As at 31 December 2020 the LLP had net current liabilities of £24,380,000 (2019: £9,085,000) and net liabilities of £718,000 (2019: £836,000). The Designated Members have prepared cash flow forecasts and consider that the LLP has sufficient resources and support to meet its liabilities as they fall due for at least 12 months from the signing of these financial statements and has therefore prepared the financial statements on a going concern basis. Group companies have confirmed that they will not request repayment of the amounts owed to group companies, £26,401,000 (2019: £7,943,000) until the LLP has sufficient resources to repay the amounts.

Financial Reporting Standard 102 - reduced disclosure exemptions

The LLP has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Where required, equivalent disclosures are given in the Group financial statements of Inverclyde Windfarm Limited. These are available on request from Suite G Riverview House, Friarton Road, Perth, PH2 8DF.

Critical accounting judgements and key sources of estimation uncertainty

The LLP makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Carrying value of tangible fixed assets

Annually, the members consider whether tangible fixed assets are impaired. Where an indication of impairment is identified, the estimation of the recoverable value requires an estimation of the future cash flows from the tangible fixed asset and also the selection of appropriate discount rates in order to calculate the net present value of those cash flows.

(ii) Provisions

A provision is made for asset decommissioning obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish the net present value of the obligations require management's judgement.

(iii) Going concern

Management use current power price curves and expected output data with assumed inflation rates in order to estimate future cash flows of the useful life of the asset. These cash flow forecasts are used to determine the future profitability of the entity and confirm that it continues to be a going concern.

Turnover

Turnover represents the fair value of the consideration received or receivable for goods rendered during the period, exclusive of value added tax, derived from the generation of electricity.

Revenue from 'Brown' energy is recognised when the electricity is generated. Other renewable benefits are recognised when the value can be reliably ascertained.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

'Assets under construction' relates to costs which are directly attributable to the development of potential windfarm sites, and which have a reasonable expectation of obtaining the consents required for constructing a windfarm, and to the extent that those costs do not exceed expected recoverable amounts, are treated as work in progress and not expensed. The main aspects to address during the initial development stage of a windfarm are environmental impact assessments, planning consent and early grid connection analyses (including feasibility and applications). Once a site has achieved planning consent, the preconstruction stage begins and consists of the selection of appropriate turbines, the completion of designs for the layout of the site (both civil and electrical), and the grid connection.

Financing costs which are directly attributable to the construction of wind farms are capitalised as part of the cost of those assets. Capitalisation ceases when the asset is fully operational.

Depreciation commences when the asset is ready for its intended use. The residual values, if not insignificant, and remaining useful lives are reassessed at each reporting date. When parts of item of tangible fixed assets have different useful lives, those components are accounted for as separate items of tangible fixed assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds received with carrying amount and are recognised with other income/(expenditure) net in the statement of comprehensive income. The asset will be depreciated over its useful life, which is considered to be the life of the lease.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of comprehensive income in the period in which they are incurred.

Financial instruments

The LLP has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Such assets are subsequently carried at amortised cost using the effective interest method.

(ii) Financial liabilities

Basic financial liabilities, including trade creditors and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Members' loans (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Non-basic financial liabilities, including derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the member's agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Profits are divided automatically in accordance to the members agreement and therefore such profits are classed as an expense through the profit and loss rather than an appropriation of equity.

The losses of the LLP shall, with effect from commencement date, be borne by the LLP and not allocated to the members. The members shall procure that all losses of the LLP are debited to an other reserve.

All amounts due to the members that are classified as liabilities are presented in the balance sheet within 'Loans and other debt due to members' and are charged to profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests'. Losses are included within 'other reserves'.

Taxation

The taxation payable on the LLP's profits is the liability of each member during the year. Consequently, neither the LLP nor related deferred taxation are accounted for in these financial statements.

Provisions

Provision is made for the net present value of the estimated future decommissioning costs at the end of the operating life of the wind farm. The provision is calculated using estimated costs of decommissioning, and these estimates have been arrived at by consideration of the expected costs of contracts to remove the installed plant.

The estimates are discounted at a rate that reflects current market assessments of the time value of money. A corresponding asset is recognised and included within the wind farm assets and is depreciated over the life of the wind farm. The estimated future cost of decommissioning obligations are regularly reviewed and adjusted as appropriate for new circumstances or changes in law or technology.

Cash and cash equivalents

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

3. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging:

	2020 £'000	2019 £'000
Auditors' remuneration	8	-
Other operating leases	10	10
	<u>18</u>	<u>10</u>

In the prior year, auditors' remuneration was borne by its parent company.

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £'000	2019 £'000
Intercompany loan interest	1,114	329
	<u>1,114</u>	<u>329</u>

5. INFORMATION IN RELATION TO MEMBERS

	2020 £'000	2019 £'000
Members' remuneration charged as an expense		
Partners' salaries	168	-
	<u>168</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

	2020	2019
The average number of members during the year was	<u>4</u>	<u>4</u>
6. TANGIBLE FIXED ASSETS		
		Assets under construction £'000
COST		
At 1 January 2020		8,249
Additions		<u>15,882</u>
At 31 December 2020		<u>24,131</u>
NET BOOK VALUE		
At 31 December 2020		<u>24,131</u>
At 31 December 2019		<u>8,249</u>
Included in additions to land and buildings is interest capitalised of £1,237,000 (2019: £241,000). Interest was capitalised at the rate of 7%.		
7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£'000	£'000
Other debtors	65	110
VAT	35	630
Prepayments and accrued income	<u>190</u>	<u>-</u>
	<u>290</u>	<u>740</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2020	2019
	£'000	£'000
Trade creditors	111	1,769
Amounts owed to group undertakings	26,283	7,943
Accruals and deferred income	<u>249</u>	<u>126</u>
	<u>26,643</u>	<u>9,838</u>
At the balance sheet date, the LLP had an amount outstanding to Inverclyde Windfarm Limited of £25,713,000 (2019: £7,926,000). The LLP has been granted this loan facility for the development and construction of the windfarm, on which interest is payable at 7% (2019: 7%). The loan is repayable on demand.		
9. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2020	2019
	£'000	£'000
Within one year	10	10
Between one and five years	38	38
In more than five years	<u>216</u>	<u>226</u>
	<u>264</u>	<u>274</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

10. PROVISIONS FOR LIABILITIES

	Other provisions £'000
Provided during year	(587)
Balance at 31 December 2020	(587)

Provisions are made for the net present value of the estimated future decommissioning costs at the end of the operating life of the wind farm. The provision is calculated using estimated costs of decommissioning. An average inflation rate has been applied and this has been discounted at the LLP's weighted average cost of capital. A corresponding addition has been recorded within fixed assets.

11. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2020 £'000	2019 £'000
Amounts owed to members in respect of profits	118	-
Falling due within one year	118	-

Loans and other debts due to 'A members' rank pari passu with other unsecured creditors.

During the year, profits allocated to 'B Members' were £50,000 (2019: £nil). During the year £50,000 (2019: £nil) was distributed to 'B Members'. At 31 December 2020, £nil (2019: £nil) was due to 'B Members'.

12. RELATED PARTY DISCLOSURES

At the year end, a loan balance was due to Inverclyde Windfarm Limited totalling £25,713,000 (2019: £7,926,000). During the period interest was charged on this loan of £1,114,000 (2019: £329,000).

At the year end, a loan balance was due to Gresham House Renewable Energy LP totalling £688,000 (2019: £nil). No interest was charged on this loan.

Purchases of £500 (2019: £nil) were made from BayWa in the year. The balance due at the year end was nil (2019: £nil).

13. ULTIMATE CONTROLLING PARTY

The LLP's immediate controlling entity is Inverclyde Windfarm Limited, company number SC396025; incorporated in Scotland.

The LLP's ultimate parent entity in 2019 was BayWa AG, the smallest and largest group of financial statements to consolidate these results. The financial statements are available upon request from Arabellastr. 4, 81925 Munich.

During the year the ultimate controlling party became Gresham House Renewable Energy LP.