

The Renewables Infrastructure Group (UK) Limited



# **Annual Report and Audited Financial Statements**

**For the year ended 31 December 2017**

**The Renewables Infrastructure Group (UK) Limited**



**Registered number: 08506871**

# Contents

STRATEGIC REPORT .....	1
DIRECTORS' REPORT.....	4
AUDITOR'S REPORT.....	6
BALANCE SHEET .....	11
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY .....	12
CASH FLOW STATEMENT .....	13
NOTES TO THE AUDITED FINANCIAL STATEMENTS .....	14

# Strategic Report

The Directors present their Strategic Report for the year ended 31 December 2017, which has been prepared in compliance with s414C of the Companies Act 2006.

This Strategic Report has been prepared for The Renewables Infrastructure Group (UK) Limited ("the Company" or "TRIG UK") and its portfolio of investments, and therefore gives greater emphasis to those matters which are significant to the group when viewed as a whole.

## **Business review**

The principal activity of the Company during the year was the undertaking of investment activities on behalf of its parent, The Renewables Infrastructure Group Limited ("TRIG Ltd"). The Company invests in a portfolio of investments predominantly in the subordinated loan stock and ordinary equity of renewable energy infrastructure companies. The principal activity of those project finance companies is the development and management of solar parks and on-shore wind farms. The Company, TRIG Ltd and the portfolio of investments are known collectively as the TRIG group ("the Group").

## **Results and performance**

The Company's results for the year under review are detailed in the profit and loss account in these financial statements.

The Company has prepared financial statements for the year to 31 December 2017. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC").

The profit before tax for the year was £45.9m and Total Operating Income was £66.1m, compared to a profit before tax of £33.2m and Total Operating Income of £88.3m for the year to 31 December 2016. Administrative expenses of £9.6m (2016: £7.9m) includes all operating expenses and £8.9m (2016: £7.4m) management fees paid to the Investment and Operations Managers (see Note 20). Cash received from the portfolio by way of distributions, including interest and capital repayments, was £8.3m (2016: £59.3m).

At 31 December 2017, the Company had 57 projects in its investment portfolio, which are all measured at fair value in accordance with FRS 102 section 9.9. As at 31 December 2017, the fair value of the Company's investments was £359.8m (2016: £795.5m) reflecting the novation of the Company's Eurobond from the Company to its subsidiary, The Renewables Infrastructure Group (UK) Investments Limited, in exchange for a dividend received from the subsidiary.

A reduction in power price forecasts during 2017 reduced the valuation of the portfolio by £56.1m however overall the valuation increased by £76.1m as the power price reduction was offset by other factors. The valuation uses updated power price forecasts for each of the markets in which the Company invests, namely the GB market, the Single Electricity Market of Ireland, and the French market. The main drivers reducing the forecast power prices are reduced short-term gas prices and also lower gas prices being forecast over the longer term.

The Company's cash as at 31 December 2017 was £0.1m (2016: £0.1m).

Share capital of £275.3m (2016: 269.7m) represents TRIG Ltd's 100% investment in the Company.

## **Strategy**

The Company invests principally in operational assets which generate electricity from renewable energy sources, with a particular focus on onshore wind farms and solar PV parks.

## Strategic Report (continued)

### *Key performance indicators ("KPIs")*

The Board monitors the progress of the Group by reference to the following KPIs:

- Directors' portfolio valuation at year end which was measured at £359.8m (2016: 795.5m), an 54.8% decrease from prior year.
- Profit before tax of £45.9m (2016: £33.2m), reflecting an exceptional dividend from the Company's subsidiary, The Renewables Infrastructure Group (UK) Investments Limited, offset by the reduction in fair value of the Company's investments.
- Power generation – Power generation varies with weather patterns amongst other factors. For the period ended 31 December 2017, against the "P50" central estimate for energy production, power generation was up by 2.5%.
- Availability - Availability for the portfolio as a whole was in line with expectations.

### *Principal risks and uncertainties*

#### *Portfolio energy productivity*

The principal risk to energy production is the available incidence of solar energy and wind power to generate output. The incidence of solar energy and wind power is not under the control of the Directors, however, they aim to maximise availability and minimise the effect of downtime by scheduling repairs and maintenance activities at times of low light and low wind. While short-term variability of the production levels of a single asset may be material, the longer term variability is minimised by constructing a technologically and geographically diverse portfolio. The production performance is measured in terms of yield factors and availability targets over time, and the Board notes that the Group is on track with both these measures for the year to 31 December 2017.

#### *Future wholesale electricity prices*

The Group is exposed to changes in the wholesale price of electricity for a proportion of its revenues. The impact of future power prices can be partially mitigated through the portfolio mix and growth strategy. The portfolio valuation is based on wholesale power price forecast in three different European markets with differing future pricing dynamics.

#### *Government support for renewables.*

Geographically, the Company focuses its investments on the UK and Northern Europe where there is a strong emphasis on delivering versus challenging renewable energy deployment targets for 2020, and showing consistency in grandfathering prior subsidy commitments to operating plants.

#### *Financial risk management*

Risk is managed on a group basis. Information on the use of financial instruments by the Group, its management of financial risk and its exposure to cash flow risk (addressed under the headings of 'Credit risk', 'Liquidity risk' and 'Market risk') are disclosed in Note 4 of TRIG Ltd's financial statements, which are available from their website [www.trig-ltd.com](http://www.trig-ltd.com).

Most other risks under consideration, whether meteorological, economic or regulatory, are generally either closely associated with the three factors discussed above or are of a purely financial nature, for example the impact of interest rates or tax rates. The impact of these is discussed further in TRIG Ltd's financial statements.

#### *Future developments*

The Company seeks to benefit from steady income from the investments in its efficiently managed portfolio as well as to capitalise on the investment opportunities for renewables infrastructure and to provide an efficient conduit for the Group's institutional and other investors seeking an attractive, yield-based, risk-adjusted return.

With an extensive pipeline of diverse acquisition opportunities, strong support from our parent company, TRIG Ltd, and a positive year to date, we look forward to continuing to deliver on expectations.

The Company's parent, TRIG Ltd, reports governance against the Association of Investment Companies (the "AIC") Code of Corporate Governance updated in February 2013. This AIC code has been endorsed by the Financial Reporting Council. TRIG Ltd is a member of the AIC, benefitting from the on-going development of best practices in the industry and also playing a meaningful role as a flag-bearer of the renewables sector of the infrastructure investment market.

By order of the Board  
Authorised signatory



W R Crawford  
Director

27 April 2018

# Directors' Report

The Directors present their Annual Report and audited financial statements for the year ended 31 December 2017.

## ***Incorporation***

The Company, incorporated in England and Wales, is the single, direct subsidiary of TRIG Ltd, a closed ended investment company incorporated in Guernsey and whose shares are publicly traded on the London Stock Exchange under a premium listing.

## ***Principal activity***

In accordance with CA2006 s414, further information regarding the Company's principal activity is found within the Strategic Report.

## ***Dividends***

The Directors declared no dividends in the current year or preceding period.

## ***Results for the year***

The results for the year are set out in the profit and loss account on page 9.

## ***Directors***

The Directors who held office during the year to 31 December 2017 and to the date of this report were:

C Gill  
A Roper  
W R Crawford  
J Entract  
J Balns  
R Ruffle  
D Joyce  
P R P George (appointed 18 July 2017)

The Directors did not receive any remuneration in respect of their services to the Company during the year.

## ***Company Secretary***

A Wyllie

## ***Registered office***

12 Charles II Street, London, SW1Y 4QU

## ***Donations***

The Company made no political donations during the year.

## ***Going concern review***

The financial position of the Company, its liquidity position and borrowing facilities, as well as the Company's business activities and factors likely to affect its future development and position, are described in the Strategic Report.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus they adopt the going concern basis of accounting in preparing the annual financial statements.

## ***Disclosure of Information to the Auditors***

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and that each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## ***Subsequent Events***

Details on events after the balance sheet date are discussed in note 19 to the accounts.

***Independent auditor***

Deloitte LLP is deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

The following information has been disclosed in the Strategic Report;

- Financial risk management
- Key performance indicators
- Indication of likely future developments in the business

By order of the Board  
Authorised signatory



**W R Crawford**  
Director  
27 April 2018

## Directors Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Auditor's Report

## **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Renewables Infrastructure Group (UK) Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in shareholder's equity;
- the cash flow statement; and
- the related notes 1 to 18.

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).

## **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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company 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**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in 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 in respect of these matters.

#### ***Responsibilities of directors***

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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.

#### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

#### ***Use of our report***

*This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.*

#### ***Report on other legal and regulatory requirements***

##### ***Opinions on other matters prescribed by the Companies Act 2006***

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

##### ***Matters on which we are required to report by exception***

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

The Renewables Infrastructure Group (UK) Limited

*Anthony Matthews*

---

Anthony Matthews FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
27 April 2018

## Profit and loss account

### For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £'000's	Year ended 31 December 2016 £'000's
Investment income	5	-	-
Dividend income	5	501,935	59,300
(Loss)/ gain on investments	5	(435,790)	29,048
<b>Total operating income</b>		<b>66,145</b>	<b>88,348</b>
Administrative expenses	6	(9,626)	(7,920)
Acquisition costs		(791)	(303)
<b>Operating profit for the year</b>		<b>55,728</b>	<b>80,125</b>
Finance costs	7	(10,055)	(41,056)
(Loss)/ gain on foreign exchange	8	236	(5,883)
<b>Profit/ (loss) before tax</b>		<b>45,909</b>	<b>33,186</b>
Income tax credit/(expense)	9	-	-
<b>Profit/ (loss) and Total Comprehensive Income for the year</b>		<b>45,909</b>	<b>33,186</b>

All results are derived from continuing operations.

There is no other comprehensive income or expense apart from those disclosed above and consequently a statement of other comprehensive income has not been prepared.

# Balance sheet

## As at 31 December 2017

	Note	As at 31 December 2017 £'000's	As at 31 December 2016 £'000's
<b>Non-current assets</b>			
Investments at fair value through profit or loss	10	359,750	795,540
<b>Total non-current assets</b>		<b>359,750</b>	<b>795,540</b>
<b>Current assets</b>			
Debtors – due within one year	11	1,108	1,378
Cash at bank and in hand		86	76
<b>Total current assets</b>		<b>1,194</b>	<b>1,454</b>
<b>Creditors: Amounts falling due within one year</b>	12	<b>(2,791)</b>	<b>(4,780)</b>
<b>Net current liabilities</b>		<b>(1,597)</b>	<b>(3,262)</b>
<b>Total assets less current liabilities</b>		<b>358,153</b>	<b>792,214</b>
<b>Creditors: Amounts falling due after more than one year</b>	13	<b>-</b>	<b>(485,570)</b>
<b>Net assets</b>		<b>358,153</b>	<b>306,644</b>
<b>Equity</b>			
Called up share capital	14	275,276	269,676
Retained reserves	15	82,877	36,968
<b>Shareholders' funds</b>		<b>358,153</b>	<b>306,644</b>

The accompanying Notes are an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 27 April 2018, and signed on its behalf by:



W R Crawford  
Director

## Statement of changes in shareholders' equity

### For the year ended 31 December 2017

	Called up share capital £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	269,676	37,742	306,644
Profit for the year	-	45,909	45,909
Ordinary Shares Issued	5,600	-	5,600
<b>Shareholders' equity at end of year</b>	<b>275,276</b>	<b>82,877</b>	<b>358,153</b>

### For the year ended 31 December 2016

	Called up share capital £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	234,976	3,782	238,758
Profit for the year	-	33,186	33,186
Ordinary Shares issued	34,700	-	34,700
<b>Shareholders' equity at end of year</b>	<b>269,676</b>	<b>36,968</b>	<b>306,644</b>

# Cash flow statement

For the year ended 31 December 2017

	Notes	Year ended 31 December 2017 £'000's	Year ended 31 December 2016 £'000's
<b>Net cash flows from operating activities</b>	16	(1,045)	47,793
<b>Cash flows from investing activities</b>			
Purchases of investments	10	-	(54,144)
Acquisition costs		(685)	(303)
<b>Net cash used in investing activities</b>		(685)	(54,447)
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital during period	14	5,600	34,700
Proceeds from issue of loan notes		-	19,500
Interest paid on loan notes		(2,387)	(46,131)
Dividends Paid		(1,450)	-
Arrangement fees paid		-	(1,618)
(Repayment) of debt		-	-
<b>Net cash flows from financing activities</b>		1,763	6,451
<b>Net decrease in cash and cash equivalents</b>		32	(203)
Cash and cash equivalents at beginning of period		76	279
Exchange gains on cash		(22)	-
<b>Cash and cash equivalents at end of period</b>		86	76

# Notes to the Audited Financial Statements for the year ended 31 December 2017

## 1. General Information

The Renewables Infrastructure Group (UK) Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given in the Directors' Report on page 4. The nature of the Company's operations and its principal activities are set out in the Strategic Report.

These financial statements are presented in pounds sterling, the functional currency, because that is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out in Note 2.

These financial statements are separate financial statements. The Company has adopted FRS 102 and does not consolidate the investments it holds in accordance with FRS 102 section 9.9. This is explained further in Note 2(c).

## 2. Key accounting policies

### (a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC").

The principal accounting policies adopted are set out below.

### (b) Going concern

The financial position of the Company, its liquidity position and borrowing facilities, as well as the Company's business activities and factors likely to affect its future development and position, are described in the Strategic Report.

The Company currently has net current liabilities, however its subsidiaries benefit from a range of long-term contracts with various major UK and European utilities and well-established suppliers across a range of infrastructure projects; these subsidiaries provide income to the Company. In addition, it maintains a working capital component of £15m as part of its revolving acquisition facility (currently sized at £150m and limited to 30% of Portfolio Value). The Company's project-level financing is non-recourse to the Company and is limited to 50% of Gross Portfolio Value. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, thus they adopt the going concern basis of accounting in preparing the annual financial statements.

### (c) Basis of consolidation

In accordance with FRS 102 section 9.9, subsidiaries that are held as part of an investment portfolio shall be measured at fair value with changes in fair value recognised in profit or loss. As the Company treats its 36 investments as a homogenous investment portfolio, all subsidiaries are measured at fair value through profit and loss, as opposed to being consolidated on a line by line basis.

### (d) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.



## Notes to the Audited Financial Statements for the year ended 31 December 2017

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

### **Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### **Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

The Directors consider the equity and loan stock to share the same investment characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes.

### **Loans and borrowings**

Borrowings are recognised initially at fair value of the consideration received, less transaction costs, and are subsequently measured at amortised cost.

### **Other**

Other non-derivative financial instruments are measured at amortised cost using the effective interest method less any impairment losses.

## **(e) Impairment**

### **Financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the profit and loss account.

## Notes to the Audited Financial Statements for the year ended 31 December 2017

### **(f) Investment income**

Income from investments relates solely to returns from the Company's subsidiaries. This is recognised when the right to receive interest income is determined on an accruals basis and dividends when these are received.

### **(g) Income tax**

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full using the balance sheet liability method on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **(h) Foreign exchange gains and losses**

Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the profit and loss account.

## **3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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. We have not identified any areas of critical accounting judgements. The key sources of estimation uncertainty are outlined below.

### **Key source of estimation uncertainty: Investments at fair value through profit or loss**

The investments at fair value through profit or loss are valued by discounting future cash flows from investments in both equity (dividends and equity redemptions) and subordinated loans (interest and repayments) to the Company at an appropriate discount rate. In determining the discount rate, regard is had to relevant long-term government bond yields, specific risks associated with the technology (on-shore wind and solar) and geographic location of the underlying investment, and the evidence of recent transactions.

## Notes to the Audited Financial Statements for the year ended 31 December 2017

The weighted average discount rate applied in the 31 December 2017 valuation was 8.0% (2016: 8.4%). The discount rate is considered one of the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss. Other material impacts on the measurement of fair value are the forward looking power price curve and energy yields. The sensitivities of the valuation inputs are discussed in detail in TRIG Ltd's financial statements, which are available from their website [www.trig-ltd.com](http://www.trig-ltd.com).

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation.

The Directors consider that the carrying value of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

### 4. Financial instruments

#### Fair value estimation

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

#### *Non-derivative financial instruments*

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses the income approach, which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is had to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions.

#### *Derivative financial instruments*

The fair value of financial instruments inputs other than quoted prices traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price. Note 2 discloses the methods used in determining fair values on a specific asset/liability basis. Where applicable, further information about the assumptions used in determining fair value is disclosed in the notes specific to that asset or liability.

#### Classification of financial instruments

	31 December 2017 £'000s	31 December 2016 £'000s
<b>Financial assets</b>		
Designated at fair value through profit or loss:		
Investments	359,750	795,540
Other receivables	1,108	1,378
Cash and cash equivalents	86	76
<b>Financial assets at fair value</b>	<b>360,944</b>	<b>796,994</b>

**Notes to the Audited Financial Statements for the year ended 31 December 2017****Financial liabilities****At amortised cost:**

Bank loans		
Other payables	2,791	4,780
<b>Financial liabilities at amortised cost</b>	<b>2,791</b>	<b>4,780</b>

The Directors believe that the carrying values of all financial instruments are not materially different to their fair values.

**Fair value hierarchy**

The fair value hierarchy is defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>As at 31 December 2017</b>			<b>Total £'000s</b>
	<b>Level 1 £'000s</b>	<b>Level 2 £'000s</b>	<b>Level 3 £'000s</b>	
Investments at fair value through profit or loss	-	-	359,750	359,750
	-	-	359,750	359,750

	<b>As at 31 December 2016</b>			<b>Total £'000s</b>
	<b>Level 1 £'000s</b>	<b>Level 2 £'000s</b>	<b>Level 3 £'000s</b>	
Investments at fair value through profit or loss	-	-	795,540	795,540
	-	-	795,540	795,540

**Level 3****Valuation methodology**

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All investments are at fair value through profit or loss and are valued using a discounted cash flow methodology.

**Notes to the Audited Financial Statements for the year ended 31 December 2017****Economic assumptions**

The Investment Manager has carried out market valuations of the investments as at 31 December 2017 and at 31 December 2016. The Directors have satisfied themselves as to the methodology used, the discount rates applied, and the valuation.

The following significant unobservable inputs were used in the discounted cash flow valuations at:

	<b>31 December 2017</b>	<b>31 December 2016</b>
UK inflation rates (other than ROC's)	2.75%	2.75%
Inflation applied to UK ROC Income	3.4% 2018, 2.9% 2019, 2.75% thereafter	2.75%
Ireland and France inflation rates	2.00%	2.00%
UK, Ireland and France deposit interest rates	1.00% to 31 March 2021, 2.00% thereafter	1.00% to 31 March 2021, 2.00% thereafter
UK corporation tax rate	19.00%, reducing to 17% from 1 April 2020	20.00%, reducing to 19% from 1 April 2017 and then to 17% from 1 April 2020
France corporation tax rate	33.3% + 1.1% above €763,000 threshold, reducing to 25% by 2022	33.3% + 1.1% above €763,000 threshold
Ireland corporation tax rate	12.5% active rate, 25% passive rate	12.5% active rate, 25% passive rate
Euro/sterling exchange rate	1.1252	1.1709

**5. Total operating income**

	<b>Year ended 31 December 2017 Total £'000s</b>	<b>Year ended 31 December 2016 Total £'000s</b>
Investment income	-	-
Dividend income	501,935	59,300
Gains on investments	(435,790)	29,048
	<b>66,145</b>	<b>88,348</b>

**6. Administrative expenses**

	<b>Year ended 31 December 2017 Total £'000s</b>	<b>Year ended 31 December 2016 Total £'000s</b>
Fees payable to the Company's auditors, Deloitte LLP, for the audit of the Company's accounts	4	4
Investment and management fees (Note 20)	8,871	7,409
Other costs	751	507
	<b>9,626</b>	<b>7,920</b>

The Company had no employees during the current or preceding year.

**Notes to the Audited Financial Statements for the year ended 31 December 2017****7. Finance costs**

	Year ended 31 December 2017 Total £'000s	Year ended 31 December 2016 Total £'000s
Interest payable to parent undertakings	9,529	37,160
Other finance costs	522	3,893
Interest on bank deposits	4	3
<b>Total finance costs</b>	<b>10,055</b>	<b>41,056</b>

**8. (Loss)/ gain on foreign exchange**

	Year ended 31 December 2017 Total £'000s	Year ended 31 December 2016 Total £'000s
Gain on foreign exchange:		
Realised gain on settlement of FX forwards	-	-
Other foreign exchange movements	236	(5,883)
<b>Total gain on foreign exchange</b>	<b>236</b>	<b>(5,883)</b>
<b>Finance Income</b>	<b>236</b>	<b>(5,883)</b>

**9. Income tax**

	Year ended 31 December 2017 Total £'000s	Year ended 31 December 2016 Total £'000s
Corporation tax	-	-
<b>Total tax on profits</b>	<b>-</b>	<b>-</b>

The standard rate of tax applied to reported profit before tax on continuing operations is 19.25% (2016: 20.0%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2016.

The charge for the year can be reconciled to the profit before tax in the profit and loss account as follows:

	Year ended 31 December 2017 Total £'000s	Year ended 31 December 2016 Total £'000s
<b>(Loss)/profit before tax on continuing operations</b>	<b>45,909</b>	<b>33,186</b>
Tax at the UK corporation tax rate of 20.0% (2016: 20.25%)	8,838	6,637
Tax effect of income not taxable in determining taxable profit	(12,733)	(17,670)
Tax effect of interest not deductible in determining taxable profit	3,895	11,033
<b>Tax expense for the year</b>	<b>-</b>	<b>-</b>

**Notes to the Audited Financial Statements for the year ended 31 December 2017****10. Investments at fair value through profit or loss**

	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>£'000s</b>	<b>£'000s</b>
Brought forward	795,540	712,348
Investments in the period	-	54,414
Distributions received	(501,936)	(59,300)
Interest income	-	-
Dividend income	501,936	59,300
(Loss)/ gain on valuation	(435,790)	29,048
<b>Carrying amount at period end</b>	<b>359,750</b>	<b>795,540</b>
This is represented by:		
Less than one year	-	-
Greater than one year	359,750	795,540
<b>Carrying amount at period end</b>	<b>359,750</b>	<b>795,540</b>

The gains/ losses on revaluation of investments are unrealised.

The Investment Manager has carried out fair market valuations of the investments as at 31 December 2017, and as at 31 December 2016. The Directors have satisfied themselves as to the methodology used, the discount rates applied, and the valuation. The Investment Manager is experienced in the method of valuations on a discounted cash flow basis and considered experts in this process.

**Notes to the Audited Financial Statements for the year ended 31 December 2017****Investments at fair value through profit or loss (continued)**

Details of the Company's Investments at 31 December 2017 and at 31 December 2016 are as follows:

Name	Registered Office	31 December 2017		31 December 2016	
		Country	Ownership Interest	Country	Ownership Interest
Wind farms					
Roos Energy Limited	2	UK	100%	UK	100%
Grange Renewable Energy Limited	2	UK	100%	UK	100%
Hill of Towle Limited	2	UK	100%	UK	100%
Green Hill Energy Limited	2	UK	100%	UK	100%
Forss Wind Farm Limited	2	UK	100%	UK	100%
Altahullion Wind Farm Limited	2	UK	100%	UK	100%
Lendrum's Bridge Wind Farm Limited	2	UK	100%	UK	100%
Lough Hill Wind Farm Limited	2	UK	100%	UK	100%
MHB Wind Farms Limited	7	Republic of Ireland	100%	Republic of Ireland	100%
CEPE de Haut Languedoc SARL	3	France	100%	France	100%
CEPE du Haut Cabardes SARL	3	France	100%	France	100%
CEPE de Cuxac SARL	3	France	100%	France	100%
CEPE des Claves SARL	3	France	100%	France	100%
MC Power Limited	2	UK	100%	UK	100%
Tallentire Energy Limited	2	UK	100%	UK	100%
Earlseat Windfarm Limited	2	UK	100%	UK	100%
Taurbeg Limited	7	Republic of Ireland	100%	Republic of Ireland	100%
Crystal Rig Windfarm Limited*	4	UK	49%	UK	49%
Roths Wind Limited*	4	UK	49%	UK	49%
Paul's Hill Wind Limited*	4	UK	49%	UK	49%
Crystal Rig II Limited*	4	UK	49%	UK	49%
Roths II Limited*	4	UK	49%	UK	49%
Mid Hill Wind Limited*	4	UK	49%	UK	49%
Freasdail Energy Limited	2	UK	100%	UK	100%
Solar parks					
CEPE de Puits Castan SARL	3	France	100%	France	100%
Churchtown Farm Solar Limited	5	UK	100%	UK	100%
East Langford Solar Limited	5	UK	100%	UK	100%
Manor Farm Solar Limited	5	UK	100%	UK	100%
Sunsave 12 (Derriton Fields) Limited	2	UK	100%	UK	100%
Sunsave 25 (Wix Lodge) Limited	2	UK	100%	UK	100%
Parley Court Solar Park Limited	2	UK	100%	UK	100%
Egmere Airfield Solar Park Limited	2	UK	100%	UK	100%
Penare Farm Solar Park Limited	2	UK	100%	UK	100%
BKS Energy Limited	2	UK	100%	UK	100%
Hazel Renewables Limited	2	UK	100%	UK	100%
Kenwyn Solar Limited	2	UK	100%	UK	100%
FPV Broussan	3	France	48.9%	France	48.9%
FPV Chateau	3	France	48.9%	France	48.9%
FPV du Plateau	3	France	48.9%	France	48.9%
SECP Borgo	3	France	48.9%	France	48.9%
SECP Olmo 2	3	France	48.9%	France	48.9%
FPV Pascialone	3	France	48.9%	France	48.9%
FPV Santa Lucia	3	France	48.9%	France	48.9%
FPV Agrinergie	3	France	48.9%	France	48.9%
FPV d'Export	3	France	48.9%	France	48.9%



The Renewables Infrastructure Group (UK) Limited

Agrisol 1A Services	3	France	48.9%	France	48.9%
SECP Chemin Canal	3	France	48.9%	France	48.9%
FPV Ligne des Quatre Cents	3	France	48.9%	France	48.9%
FPV Ligne des Bambous	3	France	48.9%	France	48.9%
Heliade Bellevue	3	France	48.9%	France	24.9%
SECP Creuilly	3	France	48.9%	France	48.9%
FPV du Midi	3	France	51.0%	France	51.0%
Neilston Community Wind Farm LLP	2	UK	100%	-	-
Garreg Lwyd Energy Limited	2	UK	100%	-	-
UK Energy Storage Services Limited	2	UK	100%	-	-
Scira Offshore Energy Limited	8	UK	14.7%	-	-

**Holding companies**

The Renewables Infrastructure Group (UK) Investments Limited	1	UK	100%	UK	100%
Wind Farm Holdings Limited	2	UK	100%	UK	100%
Lendrum's Bridge (Holdings) Limited	6	UK	100%	UK	100%
MHB Wind Farms (Holdings) Limited	7	Republic of Ireland	100%	Republic of Ireland	100%
The Renewables Infrastructure Group (France) SAS	3	France	100%	France	100%
European Investments (SCEL) Limited	2	UK	100%	UK	100%
European Investments (Cornwall) Limited	2	UK	100%	UK	100%
European Investments Solar Holdings Limited	2	UK	100%	UK	100%
European Investments Solar Holdings 2 Limited	2	UK	100%	UK	100%
European Investments Earlseat Limited	2	UK	100%	UK	100%
Sole e Aria 1		France	48.9%	France	48.9%
Sole e Aria 2	3	France	48.9%	France	48.9%
Sole e Aria 3	3	France	48.9%	France	48.9%
Fred. Olsen Wind Limited*	4	UK	49%	UK	49%
Fred. Olsen Wind Holdings Limited*	4	UK	49%	UK	49%
Offshore Wind Investments Group Limited	2	UK	100%	UK	100%
European Storage Investments Group Limited	2	UK	100%	UK	100%
European Wind Investments Group Limited	2	UK	100%	UK	100%

\* Denotes the "Fred. Olsen portfolio"

The Investments in subsidiaries are all stated at fair value. The principal activity of the companies under the heading 'Wind farms' during the year was the operation of wind farms to generate electricity. The principal activity of the companies under the heading 'Solar parks' during the year was the operation of solar parks to generate electricity. The principal activity of the companies under the heading 'Holding companies' during the year was the holding of investments. The Renewables Infrastructure Group (UK) Investments Limited is the Company's only direct subsidiary.

**Registered Offices**

The registered offices for the investments, as per the table above, are listed in the table below.

No.	Address of Registered Office
1	12 Charles II Street, London, SW1Y 4QU, UK
2	Beaufort Court, Egg Farm Lane, Kings Langley, WD4 8LR, UK
3	330 Rue Du Moulelet, Zi de Courtine, 84000, Avignon, France
4	2 <sup>nd</sup> Floor, 64-65 Vincent Square, London, SW1P 2NU, UK
5	13 Berkeley Street, Mayfair, London W1J 8DU, UK
6	Unit C1 & C2 Willowbank Business Park, Millbrook, Larne, BT40 2SF, UK
7	6 <sup>th</sup> Floor 2 Grand Canal Square, Dublin 2, 662881, Ireland
8	Wind Farm Place, Edgar Road, Walsingham, Norfolk, NR22 6EJ

**Notes to the Audited Financial Statements for the year ended 31 December 2017****11. Debtors**

	31 December 2017 £'000s	31 December 2016 £'000s
Other debtors	311	134
Debt arrangement costs*	797	1,244
	1,108	1,378

\* These are capitalised debt arrangement fees which relate to the Company's revolving acquisition facility. The drawn balance was £nil at 31 December 2017 (£nil at 31 December 2016)

**12. Creditors: Amounts falling due within one year**

	31 December 2017 £'000s	31 December 2016 £'000s
Amounts owed to parent undertakings	966	776
Interest on borrowings from parent undertakings	-	2,193
Management fees	1,664	1,598
Other payables	161	213
	2,791	4,780

No interest is charged on short-term intercompany balances which are unsecured and repayments must be made within 12 months.

**13. Creditors: Amounts falling due after more than one year*****Unsecured borrowings at amortised cost***

	31 December 2017 £'000s	31 December 2016 £'000s
Bank loans	-	-
Amounts owed to parent undertakings	-	485,570
	-	485,570

***Total borrowings***

	31 December 2017 £'000s	31 December 2016 £'000s
Amount due for settlement within 12 months	-	-
Amount due for settlement after 12 months	-	485,570
	-	485,570
Amount due for settlement after 5 years	-	485,570

Borrowings have reduced in the year as amounts owed to the parent company were released in the year and novated to the Company's subsidiary, The Renewables Infrastructure Group (UK) Investments Limited in exchange for a dividend declared by the subsidiary.

At 31 December 2017, capitalised arrangement fees of £797k are netted off acquisition facility debt drawn. Arrangement fees are amortised over the life of the revolving acquisition facility.

Interest on long-term borrowings from parent undertakings accrues at interest rates between 6.63% and 8.39% per annum. During the year, interest totalling £9,529k (2016: £37,160k) was charged to the profit and loss account, of which £nil (2016: £2,969k) remained payable at the balance sheet date.

**Notes to the Audited Financial Statements for the year ended 31 December 2017****14. Called up share capital**

	31 December 2017 £'000s	31 December 2016 £'000s
Authorised:		
275,276,796 Ordinary shares of £1 each	275,276	269,676
Authorised at 31 December	275,276	269,676
Issued and fully paid:		
275,276,796 Ordinary shares of £1 each	275,276	269,676
Issued and fully paid at 31 December	275,276	269,676

The Company issued 5,600,000 £1 ordinary shares (2016: 34,700,000) at par in order to finance the purchase of Investments.

**15. Retained reserves**

	31 December 2017 £'000s	31 December 2016 £'000s
Balance at the beginning of the year	36,968	3,782
Net profit/ (loss) for the period	45,909	33,186
Balance at the end of the year	82,877	36,968

**16. Cash flow statement**

	31 December 2017 £'000's	31 December 2016 £'000's
Operating profit	55,728	80,125
Adjustments for:		
Interest income	-	-
Dividend income	(501,936)	(59,300)
Gains on Investments	435,790	(29,048)
Acquisition costs	791	303
Amortisation of debt arrangement costs	482	2,109
Other finance costs	(527)	(3,896)
FX movement on settlement of interest	-	-
Interest received on deposits	-	1
Operating cash flow before movement in working capital	(9,671)	(9,706)
Changes in working capital:		
Decrease/ (increase) in debtors	270	193
(Decrease)/Increase in creditors	76	(1,994)
Cash flow from operations	(9,325)	(11,507)
Cash received from investments	8,280	59,300
Cash generated by operations	(1,045)	47,793

## Notes to the Audited Financial Statements for the year ended 31 December 2017

### 17. Financial commitments

As at 31 December 2017, the Company has provided £20.5m (2016: £18.3m) in guarantees to the projects in the TRIG portfolio.

### 18. Contingent consideration

The Company has performance-related contingent consideration obligations of up to £4.4m (2016: £10.2m) relating to acquisitions completed prior to 31 December 2017. These payments depend on the performance of certain wind farms and solar parks and other contracted enhancements. The payments, if triggered, would be due before the end of 2018. The valuation of the investments in the portfolio does not assume that these enhancements are achieved. If further payments do become due they would be expected to be offset by an improvement in investment value. The arrangements are generally two way in that if performance is below base case levels some refund of consideration may become due.

### 19. Events after the balance sheet date

On 16 January 2018 the revolving credit facility was extended to enable TRIG UK and TRIG UK I to borrow amounts up to a value of £240 million.

On 16 January 2018 TRIG purchased Clahane Wind Farm, an Irish wind farm from private developers for total consideration of €72 million including an element of deferred consideration for the construction of a further six turbines due to become operational in the third quarter of 2018.

There are no other events after the balance sheet date, which are required to be disclosed.

## Notes to the Audited Financial Statements for the year ended 31 December 2017

### 20. Related party and key advisor transactions

#### *Loans from related parties:*

	31 December 2017 £'000s	31 December 2016 £'000s
Amounts owed to parent undertakings	-	2,193
Amounts owed to parent undertakings, in respect of management fees to be settled in shares	966	776
Long-term borrowings from parent undertakings	-	485,570
	<b>966</b>	<b>488,570</b>

During the period, interest totalling £9,529k (2016: £37,160k) was charged to the profit and loss account in respect of the long-term interest-bearing borrowings between the Company and its parent, TRIG Ltd, of which £nil (2016: £2,193k) remained payable at the balance sheet date.

#### *Key advisor transactions*

The Investment Manager to the Group (InfraRed Capital Partners Limited) is appointed by the Investment Management Agreement, dated 5 July 2013 and which was amended to accommodate AIFMD requirements on 11 June 2014, which may be terminated by either party giving not less than 12 months' written notice, no earlier than the fourth anniversary of admission to the London Stock Exchange on 29 July 2013. The Investment Manager is entitled to 65 per cent of the aggregate management fee (see below), payable quarterly in arrears. The Operations Manager to the Group (Renewable Energy Systems Limited) is appointed by the Operations Management Agreement dated 5 July 2013 and which was amended to accommodate AIFMD requirements on 11 June 2014, which may be terminated by either party giving not less than 12 months' written notice, no earlier than the fourth anniversary of admission to the London Stock Exchange on 29 July 2013. The Operations Manager is entitled to 35 per cent of the aggregate management fee (see below), payable quarterly in arrears.

The aggregate management fee payable to the Investment Manager and the Operations Manager is 1 per cent of the Adjusted Portfolio Value in respect of the first £1 billion of the Adjusted Portfolio Value and 0.8 per cent in respect of the Adjusted Portfolio Value in excess of £1 billion less the aggregate of the Investment Manager advisory fee and the Operations Manager advisory fee, which is payable by TRIG Ltd, totalling £200.0k per annum.

The Investment Manager fee charged to the profit and loss account for the period was £5,764k (2016: £4,816k), of which £1,223k (2016: £1,039k) remained payable at the balance sheet date. The Operations Manager fee charged to the profit and loss account for the period was £3,106k (2016: £2,593k), of which £664k (2016: £560k) remained payable at the balance sheet date.

In addition, the Operations Manager also received £4,914k (2016: £3,515k) for services in relation to Asset Management and other services provided to project companies within the portfolio that are not consolidated in these financial statements.

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent of the Group's aggregate management fees are to be settled in Ordinary Shares. The shares issued to the Managers by the Company relate to amounts due to the Managers by TRIG UK. Accordingly, TRIG UK reimburses the Company for the shares issued.

As at 31 December 2016, 787,847 shares equating to £776,325, based on a Net Asset Value ex dividend of 98.54 pence per share (the Net Asset Value at 31 December 2016 of 100.1 pence per share less the interim dividend of 1.5625 pence per share) were due, in respect of management fees earned in H2 2016, but had not been issued. The Company issued these shares on 31 March 2017.

## Notes to the Audited Financial Statements for the year ended 31 December 2017

On 30 September 2017, the Company issued 855,315 shares, equating to £844,761, based on a Net Asset Value ex dividend of 99.0 pence per share (the Net Asset Value at 30 June 2017 of 100.6 pence per share less the interim dividend of 1.6 pence per share), in respect of management fees earned in H1 2017.

As at 31 December 2017, 946,862 shares equating to £965,802, based on a Net Asset Value ex dividend of 102.0 pence per share (the Net Asset Value at 31 December 2017 of 103.6 pence per share less the interim dividend of 1.6 pence per share) were due, in respect of management fees earned in H2 2017, but had not been issued. The Company intends to issue these shares on 31 March 2018.

On 23 February 2017, TRIG paid to RES (The Operations Manager) £2.4m pursuant to the post acquisition tru-up relating to the Meikle Carewe and Tallentire wind farms that TRIG purchased from RES in June 2014 as a result of an updated yield assessment.

On 16 May 2017, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Garreg Lwyd Hill Farm, a UK onshore operational wind farm for consideration of £102.8m.

On 11 August 2017, TRIG acquired from RES (the Operations Manager), a 100% equity interest and 100% shareholder loan interest in Broxburn, a battery storage plant in Scotland for consideration of £20.4 million.

All of the above transactions were undertaken on an arm's length basis.

### 21. Controlling party

In the opinion of the Directors, the Company's ultimate and immediate parent company and controlling party is TRIG Ltd, a company incorporated in Guernsey (Registered address: East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey) and whose shares are listed under a premium listing on the London Stock Exchange. Copies of the financial statements of TRIG Ltd are available from their website [www.trig-ltd.com](http://www.trig-ltd.com).

## **Notes to the Audited Financial Statements for the year ended 31 December 2017**

### **DIRECTORS**

C Gill

A Roper

J Entract

W R Crawford

J Bains

R Ruffle

M Shelley

P R P George *(Appointed 18 July 2017)*

### **COMPANY SECRETARY AND REGISTERED OFFICE**

A Wyllie

12 Charles II Street

London SW1Y 4QU

### **INVESTMENT MANAGER**

InfraRed Capital Partners Limited

12 Charles II Street

London SW1Y 4QU

### **OPERATIONS MANAGER**

Renewable Energy Systems Limited

Beaufort Court

Egg Farm Lane

Kings Langley

Hertfordshire, WD4 8LR

### **AUDITORS**

Deloitte LLP

Statutory Auditor

2 New Street Square

London

EC4A 3BZ

United Kingdom