TRIG
The Renewables
Infrastructure Group

Annual Report and Audited Financial Statements

For the year ended 31 December 2022

European Wind Investments Group 3 Limited

Registered number: 12260874

European Wind Investments Group 3 Limited

Company information

Directors

~~C Gill (resigned 21 August 2023)~~
P R P George
R Crawford
J Entract (resigned 31 March 2023)
M K Shah (appointed 21 August 2023)

Company secretary

E Mendes

Registered office

Level 7, One Bartholomew Close
Barts Square
London
EC1A 7BL

Auditor

Deloitte LLP
London
United Kingdom

Contents

Strategic report

The Directors present their strategic report of European Investments Group 3 Limited (the "Company" and with its subsidiary, the "Group"), a limited Company incorporated in England and Wales, which has been prepared in compliance with s414c of the Companies Act 2006, for the year ended 31 December 2022.

The strategic report has been prepared for European Wind Investments Group 3 Limited and its one investment (2021: one investment) and therefore gives a greater emphasis to those matters which are significant to the Company when viewed as a whole.

The Company was incorporated on 14 October 2019 to hold a UK wind farm asset.

Business review
The principal activity of the Company during the year was the undertaking of investment activities on behalf of its ultimate parent, The Renewables Infrastructure Group Limited ("TRIG Ltd"). The Company is an investment holding Company, investing in the subordinated loan stock and ordinary equity of renewable energy infrastructure companies. The principal activity of the Company is the development and management of onshore wind farms. The Company, its immediate parent, The Renewables Infrastructure Group (UK) Limited ("TRIG UK"), TRIG Ltd and the portfolio of investments are known collectively as the TRIG Group ("the TRIG 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 2022. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC").

Profit before tax was £9.5m (2021: £1.3m), based on Total Operating Profit of £11.4m (2021: £3.4m) for the year ended 31 December 2022.

At 31 December 2022, the Company had 1 project (2021: 1 project) in its investment portfolio, which is measured at fair value in accordance with FRS 102 section 9.26. As at 31 December 2022, the fair value of the Company's investments was £49.1m (2021: £41.8m).

The Company's cash as at 31 December 2022 was £2.9m (2021: £0.3m).

Share capital of £0.0m and share premium of £11.6m represent The Renewables Infrastructure Investments Group UK Limited ("TRIG UK I") 100% investment in the Company. Further details can be found in note 12 of the financial statements.

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

The Directors do not anticipate any changes to the business activities in the forthcoming year.

Key performance indicators ("KPIs")
The Board monitors the progress of the Company by reference to the following KPIs:

- Directors' portfolio valuation at year end which was measured at £49.1m (2021: £41.8m), a 14.6% increase from prior year. This is due to a recorded gain on valuation as a result of increase in power prices in comparison to a loss in valuation in the prior year.
- Profit before tax of £9.5m (2021: £1.3m), reflecting an increase in gain on investments.

The Directors also consider power generation, power prices and availability against the "P50" central estimate for energy production (see note 4 for further details) to be key indicators of performance and monitor those aspects of the Group's performance via quarterly management information packs and statutory statements.

Principal risks and uncertainties

Financial risk management

Risk is managed on a TRIG Group basis. Information on the use of financial instruments by the TRIG 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.

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.

Energy productivity

The principal risk to energy production is to the underlying companies in which the Company invests in. The available incidence of wind power to generate output and the incidence of 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 wind.

Future wholesale electricity prices

The underlying companies in which the Company invests in is exposed to changes in the wholesale price of electricity for a proportion of its overall revenues. This proportion is relatively small, however the Directors review forecasts for wholesale price from time to time.

Following periods of high power prices, the UK government introduced the Electricity Generation Levy ("EGL") in November 2022. It will be applied to actual revenues from the sale of electricity in excess of the threshold schemes and other government intervention schemes (clawback and caps) across the other markets. The EGL impact has been included in the valuation through the consideration of the cash flows. Further details can be found in section 3.1 of the TRIG Ltd annual report.

Government support for renewables

The Group derives some of its revenues from various Government support mechanisms for renewable electricity generation. Whilst Government support for renewables is not under the control of the Directors, they expect these mechanisms to remain in place for the full duration anticipated at the outset.

Climate change

The Company considers climate-related risks such as power prices (including the impact of net zero curves), asset availability and maintenance costs when assessing these assumptions. Further information on these climate change risks is discussed in more detail in part 4 of section 3.6 in of the TRIG Ltd Annual Report.

Other economic impact

The Directors believe that whilst the risk to the value of the Company's investments, its ability to operate its projects and generate revenue presented by the current environment is significant (such as recovery from Covid-19, rising inflation, the conflict in Ukraine, regulatory change and global supply chain issues), there has been limited disruption to the business to date and the risk-mitigating activities have served to reduce the impact.

The Directors continue to monitor that the portfolio of investments is able to operate as effectively as possible. Downside risk scenario planning encompassing a range of potential outcomes, and these demonstrate that whilst profitability may be adversely affected has been performed, the Group and its investments are expected to remain viable. Consequently, the Directors do not believe that there is a significant risk to the value of the Company's investments, operations or its overall business but will continue to monitor any future developments.

Section 172(1) statement

The Company, as an intermediate holding Company, has no employees, customers, or suppliers and as such the directors primarily consider the interests of the ultimate Parent Company, TRIG Ltd, with regard to performing their duties on matters set out under Section 172 of the Companies Act 2006. The key board decisions approved during the year related to approval of the annual report and were in line with the strategic goals of both the Company and the Parent Company.

The key board decisions during the year was the approval of the annual report which was in line with the strategic goals of both the Company and the Parent Company.

The Company adopted the policies and procedures of its Parent Company for its operations during the year. These are described in more detail in the TRIG Ltd annual report which is available at www.trig-ltd.com. Details of the policies can be found within the TRIG Ltd's financial statements.

Future developments

The Company seeks to benefit from steady income from the investments in its efficiently managed portfolio, delivering returns to its immediate Parent Company, The Renewables Infrastructure Group (UK) Investments Limited, as well as to capitalise on future investment opportunities for renewables infrastructure.

Approved by the board and signed on behalf of the board by

Philip George

P R P George
Director
27 September 2023

Directors' report

The Directors present their annual report and audited financial statements for the year ended 31 December 2022.

Principal activity
~~In accordance with CA2006 s414, further information regarding the Company's principal activity is found within the~~ Strategic report on pages 1 to 3.

Dividends

The Directors declared no dividends in the current year or preceding year. The Directors do not recommend the payment of a final ordinary dividend.

Results for the year
The results for the year are set out in the profit and loss account on page 11.

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

C Gill (resigned 21 August 2023)
P R P George
W R Crawford
J Entract (resigned 31 March 2023)

The following director was appointed after the year end:
M K Shah (appointed 21 August 2023)

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

Company Secretary
E Mendes

Registered office
Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL

Donations
The Company made no political donations during the current year or preceding year.

Going concern review
The Company's business activities, together with the factors likely to affect its future development and performance are set out in the Strategic Report and the Directors' Report. The financial position of the Company is disclosed on page 12.

The Company invests in its portfolio on behalf of its ultimate parent, TRIG Limited. TRIG Limited and its subsidiaries, including the Company, is collectively known as the "TRIG Group". The Company has received a letter of support from its Immediate Parent Company to confirm that it would not demand repayment for intercompany loans such that insolvency would result and that it would meet planned investment commitments of the Company if required. The Company receive funding from its parents and the wider TRIG Group where necessary, therefore, it is more beneficial to consider going concern for the TRIG Group as a whole.

The Company's financial risk management objectives and details of its exposure to credit and liquidity risk are also disclosed in the Strategic Report and the TRIG Group, as a whole, is discussed in more detailed in Note 4.

The Company's immediate parent, TRIG UK I, is the borrower of the revolving credit facility (RCF) of £600m as at December 2022, which was subsequently renewed and increased to £750m in February 2023. The facility is guaranteed by TRIG UK I's immediate parent, The Renewables Infrastructure Group (UK) Limited ("TRIG UK"). The facility is available to fund the TRIG Group's activities.

The TRIG Group is in a net asset position. The renewed facility is available until 31 December 2025 with the option to extend for a further 24 months. The facility was £410m drawn at the date of signing these financial statements. Considering all relevant factors, including the review of the Company and the wider TRIG Group's cash flow forecasts, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Director have assessed ongoing risks (such as recovery from Covid-19, rising inflation, the conflict in Ukraine, and global supply chain issues) and do not believe that there is a significant risk to the business as a result of these uncertainties and will continue to monitor any future developments.

To date, there has not been a material impact on the ability of the Company to carry out its operations. The Directors have however, performed stress testing for a worse-case scenario and in this case the TRIG Group would still retain sufficient cash even if power prices were to significantly reduce. Taking all of the above into account and the ability to use the TRIG Group's revolving credit facility (RCF) to fund working capital if necessary, the Directors have therefore concluded that the use of the going concern assumption remains appropriate.

Energy and carbon reporting
The Directors have considered the Streamlined Energy and Carbon Reporting (SECR) regulation, which requires large companies to disclose total energy consumption for the reporting year. A SECR disclosure will not be required in the accounts, as the Company's total energy consumption for the year is below the reporting threshold.

Disclosure of information to the Auditor
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 auditor is unaware and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor are aware of that information. The confirmation is given and should be interpreted in accordance with provisions of s418 of the Companies Act 2006.

Subsequent events
Details on events after the balance sheet date are discussed in note 16 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 in the absence of an Annual General Meeting.

The following information has been disclosed in the Strategic Report:

- Financial risk management;
- Key performance indicators; and
- Future developments

Approved by the board and signed on behalf of the board by

Philip George

P R P George
Director
27 September 2023

Directors' Responsibilities Statement in respect of the Director's report and financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 year. 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.

Independent auditor's report to the members of European Wind Investments Group 3 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of European Wind Investments Group 3 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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 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 Financial Reporting Council's (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 directors' 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 Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and valuations specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the fair value of investments. Certain assumptions used in the determination of fair value are a key source of estimation uncertainty, which is why we consider there to be a risk of material misstatement as well as a potential for fraud through possible manipulation of this balance.

Our procedures performed to address it are described below:

- obtaining an understanding of the relevant controls in respect of the valuation process adopted by the Investment Manager and Board, including the incorporation of new acquisitions and updates to the valuation models used at 31 December 2022;
- holding meetings with key management personnel (including advisors Renewable Energy Systems (RES)) to understand the performance of the fund and of the underlying Special Purpose Vehicles (SPVs);
- disaggregating projects based upon our risk assessment with detailed model review procedures performed on higher risk projects using analytics and performing analytical reviews on the remainder of the projects in order to challenge the cash flow projections and explanations for significant movements in the forecast;
- involving our valuation specialists in assessing the bifurcation discount rate methodology and benchmarking the discount rates against comparable market participants and transactions and considering the inherent risk profile of the underlying cash flows specific to each investment;
- evaluating the inflation rate assumptions included in the forecasts with reference to observable market data and external forecasts;
- evaluating the power price curves used in the model through independent recalculation of the curves and agreement of inputs back to external source data;
- assessing the independent advice received by the Company in respect of power prices and discount rates and meeting with those advisors where appropriate to understand the methodology used and challenge key assumptions through the use of benchmarking against third party sources;
- reviewing government publications on the mechanisms of the generation levies and caps and the appropriateness of their application within the valuation;
- involving our tax specialists in assessing the tax treatment of portfolio level reliefs;
- assessing the impact of climate change on the power price curves, in respect of the wholesale curves selected and cannibalisation rates, used within the fair value of the investments;
- assessing the incorporation of the assumptions into the valuation and the correct application of the selected discount rates.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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 strategic report or 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.

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.

Marianne Milnes

Marianne Milnes FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
27 September 2023

Profit and loss account
For the year ended 31 December 2022

	Note	Year ended 31 December 2022 £'000's	Year ended 31 December 2021 £'000's
Investment Income	5	504	506
Dividend Income	5	3,855	4,659
Gain/(loss) on investments	5	7,015	(1,727)
Total operating Income		**11,374**	**3,438**
Administrative expenses	6	(8)	(8)
Operating profit		11,366	3,430
Finance costs	7	(1,879)	(2,165)
Profit before tax		9,487	1,265
Income tax credit/(expense)	8	-	270
Profit and Total Comprehensive Income		9,487	1,535

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 comprehensive income has not been prepared.

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

Balance sheet

As at 31 December 2022

	Note	As at 31 December 2022 £'000's	As at 31 December 2021 £'000's
Non-current assets			
Investments at fair value through profit or loss	9	49,097	41,821
Total non-current assets		49,097	41,821
Current assets			
Cash and cash equivalents		2,926	330
Total current assets		2,926	330
Creditors: Amounts falling due within one year		(13)	(7)
Net current assets		2,913	323
Total assets less current liabilities		52,010	42,144
Creditors: Amounts falling due after more than one year	11	(32,098)	(31,719)
Net assets		19,912	10,425
Equity			
Called up share capital	12	1	1
Share premium	12	11,625	11,625
Retained reserves		8,286	(1,201)
Total equity attributable to owners of the parent		19,912	10,425

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 September 2023, and signed on its behalf by:

Philip George

P R P George
Director

Registered number: 12260874

Statement of changes in shareholders' equity

For the year ended 31 December 2022

	Share Capital £'000's	Share Premium £'000's	Retained Reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	1	11,625	(1,201)	10,425
Profit and Total Comprehensive Income for the year	-	-	9,487	9,487
Shareholders' equity at end of year	1	11,625	8,286	19,912

For the year ended 31 December 2021

	Share Capital £'000's	Share Premium £'000's	Retained Reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	1	11,625	(2,736)	8,890
Profit and Total Comprehensive Income for the year	-	-	1,535	1,535
Shareholders' equity at end of year	1	11,625	(1,201)	10,425

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

Cash flow statement
For the year ended 31 December 2022

	Notes	Year ended 31 December 2022 £'000's	Year ended 31 December 2021 £'000's
Net cash flows from operating activities	13	4,096	5,684
Cash flows from investing activities			
Cash funded in investments	9	-	(118)
Net cash used in investing activities		-	(118)
Cash flows from financing activities			
Proceeds from issue of loan notes		-	118
Interest and principal paid on loan notes		(1,500)	(6,350)
Net cash flows used in financing activities		(1,500)	(6,231)
Net increase/(decrease) in cash and cash equivalents		2,596	(666)
Cash and cash equivalents at beginning of year		330	996
Cash and cash equivalents at end of year		2,926	330

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

Notes to the Audited Financial Statements

1. General Information

European Wind Investments Group 3 Limited (the "Company") is a private Company, limited by shares, registered in England Wales and 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 9.26. 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 and Directors' Report. The Company invests in its portfolio on behalf of its ultimate parent company, TRIG Limited, and can receive funding from its parents and wider TRIG Group necessary, therefore, it is more beneficial to consider going concern for the TRIG Group as a whole.

The TRIG Group have a range of long-term contracts with various UK utility companies and well-established suppliers across a range of infrastructure projects. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. The Directors do not believe that there is a significant risk to the business as a result of the conflict in Ukraine but will continue to monitor any future developments. The Company can also rely upon its immediate Parent Company, TRIG UK I, for funding should it require it. Details of the TRIG Group's liquidity position and access to borrowing facilities are discussed further in the Directors Report.

The Company has received a letter of support from its Immediate Parent company to confirm that it would not demand repayment for intercompany loans such that insolvency would result and that it would meet planned investment commitments of the Company if required.

The Company continues to perform in line with expectations post period end and having performed the assessment of going concern and factoring forecasts into the going concern position, the Directors considered it appropriate to prepare the financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of signing these financial statements.

(c) Basis of consolidation

In accordance with FRS 102 section 9.26, 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.

(d) Financial instruments

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

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
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the year of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Other financial instruments
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. Any changes in impairment is a change in fair value, the difference would also be recognised in profit and loss account.

(f) Investment income

Income from investments relates solely to returns from the Company's subsidiaries. This is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable 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 year. 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.

(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, estimates and assumptions

The preparation of financial statements in accordance with FRS 102 requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. The judgements, 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 outlined below.

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

FRS 102 section 10.2 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board base the fair value of the investments on information received from the Investment Manager. Fair value is calculated on a discounted cash flow basis.

Fair values for those investments for which a market quote is not available, in this instance being all investments, are determined using the income approach, which discounts the expected cash flows at the appropriate rate. In determining the discount rate, regard is had to relevant long-term government bond yields, specific risks associated with the technology (offshore wind) and geographic location of the underlying investment, and the evidence of recent transactions. The investments at fair value through profit or loss, whose fair values include the use of level 3 inputs, are valued by discounting future cash flows from investments in both equity (dividends and equity redemptions) and subordinated loans (interest and repayments) to the Group at an appropriate discount rate.

The weighted average discount rate applied in the December 2022 valuation was 6.7% (December 2021: 5.5%). 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 which are further discussed in Note 4.

The other material impacts on the measurement of fair value are the forward-looking power price curve, energy yields, operating costs and macro-economic assumptions (including rates of inflation). The Company considers climate related risks such as power prices (including the impact of net zero curves), asset availability and maintenance costs when assessing these assumptions.

The Investment Manager, when considering the assumptions to apply to the valuation of the investments at 31 December 2022 takes into account several key assumptions.

Key Judgements

As per FRS102. 9.9B, a judgment has been made that the company's investments meet the criteria as being held as part of an investment portfolio and, as a result, investments are designated upon initial recognition to be accounted for at fair value through profit or loss.

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

4. Financial Instruments

Financial risk management

The objective of the Company's financial risk management is to manage and control the risk exposures of its investment. The Directors have overall responsibility for overseeing the management of financial risks as well as the review and management of financial risks. Which has documented procedures designed to identify, monitor and manage the financial risks to which the Company is exposed. Note 4 presents information about the Company's exposure to financial risks, its objectives, policies and processes for managing risk and the Company's management of its financial resources.

The Company invests in the subordinated loan stock and ordinary equity of a renewable energy project company. These companies are structured at the outset to minimise financial risks where possible. The Directors primarily focuses their risk management on the direct financial risks of acquiring and holding the portfolio but continues to monitor the indirect financial risks of the underlying projects through representation, where appropriate, on the Boards of the project companies, and the receipt of regular financial and operational performance reports.

Interest rate risk

The Company invests in subordinated loan stock of project companies, usually with fixed interest rate coupons. The portfolio's cash flows are continually monitored and reforecast, both over the near future and the long-term, to analyse the cash flow returns from investments. The Company may use borrowings to finance the acquisition of investments and the forecasts are used to monitor the impact of changes in borrowing rates against cash flow returns from investments as increases in borrowing rates will reduce net interest margins.

The Company has an indirect exposure to changes in interest rates through its investment in project companies, many of which are financed by senior debt. Senior debt financing of project companies is generally either through floating rate debt, fixed rate bonds or index linked bonds. Where senior debt is floating rate, the projects typically have similar length hedging arrangements in place, which are monitored by the project companies' managers, finance parties and boards of directors.

Inflation risk

The Company's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation, where possible, to minimise the risks of mismatch between income and costs due to movements in inflation indexes. The Company's overall cash flows vary with inflation, although they are not directly correlated as not all flows are indexed. The effects of these inflation changes do not always immediately flow through to the Company's cash flows, particularly where a project's loan stock debt carries a fixed coupon. Inflation is managed through the use of inflation linked swaps where the TRIG Group deems it to be appropriate.

Market risk

Returns from the Company's investments are affected by the price at which the investments are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets. The Investment Manager carries out a full valuation semi-annually and this valuation exercise considers changes described above.

Credit risk

Credit risk is managed at the TRIG Group level and is the risk that a counterparty of the TRIG Group will be unable or unwilling to meet a commitment that it has entered into with the TRIG Group.

The credit standing of subcontractors and counterparties is reviewed regularly, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the TRIG Board on a quarterly basis.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The liquidity risk is managed at TRIG Group level. The TRIG Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meets its liabilities when due. The TRIG Group ensures it maintains adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The TRIG Group's investments are predominantly funded by share capital and medium-term debt funding.

The TRIG Group's investments are generally in private companies, in which there is no listed market and therefore such investment would take time to realise, and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

The TRIG Group's investments have borrowings which rank senior and have priority over the TRIG Group's own investments into the companies. This senior debt is structured such that, under normal operating conditions, it will be repaid within the expected life of the projects. Debt raised by the investment companies from third parties is without recourse to the TRIG Group.

The TRIG Group's revolving credit facility was sized at £600m at 31 December 2022, it has been renewed and extended to £750m since then. The facility was £398.5m drawn at 31 December 2022 and £410m drawn at the date of signing these financial statements. The renewed facility is in place until December 2025 and contains an option to extend.

Capital management

Capital management is handled at TRIG Group level and makes use of its revolving credit facility to fund its capital investments when necessary.

At the date of this report, the TRIG Group have a £750m revolving credit facility with Royal Bank of Scotland International Limited, National Australia Bank Limited, ING Bank N.V, Barclays Bank PLC, Sumitomo Mitsui Banking Corporation, Lloyds Bank PLC, SanPaolo S.P.A., BNP Paribas, Skandinaviska Enskilda Banken AB and ABN Amro. The facility was sized at £600m at 31 December 2022, it has been renewed and extended to £750m since then and expires on 31 December 2025. The facility was £398.5m drawn at 31 December 2022.

The TRIG Group makes prudent use of its leverage. Under the investment policy, borrowings, including any financial guarantees to support outstanding subscription obligations but excluding internal TRIG Group borrowings of the TRIG Group's underlying investments, are limited to 30% of the portfolio value.

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 2022	31 December 2021
	£'000's	£'000's
Financial assets		
Designated at fair value through profit or loss:		
Investments at fair value through profit or loss	49,097	41,821
Financial assets at fair value	49,097	41,821
At amortised cost:		
Cash and cash equivalents	2,926	330
Financial assets at amortised cost	2,926	330
Financial liabilities		
At amortised cost:		
Other payables	13	7
Amount owed to Parent at undertaking	32,098	31,719
Financial liabilities at amortised cost	32,111	31,726

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).

	As at 31 December 2022			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	-	-	49,097	49,097
	-	-	49,097	49,097

	As at 31 December 2021			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	-	-	41,821	41,821
	-	-	41,821	41,821

Level 3

Valuation methodology

The TRIG Group's Investment Manager has carried out market valuations of the investments as at 31 December 2022. The Directors have satisfied themselves as to the methodology used, the discount rates applied, and the valuation. All investments are at fair value through profit or loss and are valued using a discounted cash flow methodology.

The following economic assumptions were used in the discounted cash flow valuations at:

	31 December 2022	**31 December 2021**
Inflation assumed as measured by the UK Consumer Prices Index (applies to UK CfD Income)*	Actual inflation applied to Nov-22, 5.25% (Dec-22), 4.25% (2023), 2.00% thereafter	3.75% (2022), 3.50% (2023), 2.75% thereafter
Inflation assumed as measured by the UK Retail Prices Index (applies to UK ROC Income)*	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.00% thereafter	3.75% (2022), 3.50% (2023), 2.75% until 2030, 2.00% thereafter
Inflation assumed to apply to UK Power Prices*	Actual inflation applied to Nov-22, 6.00% (Dec-22), 5.00% (2023), 2.75% until 2030, 2.25% thereafter	3% (2022), 2.75% (2023), 2.00% thereafter
UK deposit interest rates	3.00% to 2023, 2.50% thereafter	0.25% to 2025, 1.25% thereafter
UK corporation tax rate	19% to April 2023, 25% thereafter	19% to April 2023, 25% thereafter
Energy yield assumptions	P50 case	P50 case

** The stated inflation assumption apply the stated (annualised) rate on a monthly basis to the previous month's index.*

The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being exceeded – both in any single year and over the long term – and a 50% probability of being under achieved. Hence the P50 is the expected level of generation over the long term.

5. Total operating income

	Year ended 31 December 2022 Total £'000's	Year ended 31 December 2021 Total £'000's
Investment income	504	506
Dividend income	3,855	4,659
Gain/(Loss) on investments	7,015	(1,727)
Total operating income	11,374	3,438

6. Administrative expenses

	Year ended 31 December 2022 Total £'000's	Year ended 31 December 2021 Total £'000's
Fees payable to the Company's auditor for the audit of the Company's financial statements	9	7
Other administrative expenses	(1)	1
Total administrative expenses	8	8

The Company had no employees during the current year or preceding year.
There are no non-audit fees paid to the Company's auditor in the current year or preceding year.
No director received any form of remuneration in lieu of their services to the Company in the current year or preceding year.

7. Finance costs

	Year ended 31 December 2022 Total £'000's	Year ended 31 December 2021 Total £'000's
Interest payable to parent undertakings	1,879	2,165
Total finance costs	1,879	2,165

8. Income tax

	Year ended 31 December 2022 Total £'000's	Year ended 31 December 2021 Total £'000's
Corporation tax	-	-
Group relief receipt	-	270
Tax receipt in income statement	-	270

The tax rate applied to the current year is 19%.

The impact of the increase to the main rate of UK corporation tax from 19% to 25%, effective 01 April 2023, on the forecast cash flows of the underlying investments based in the UK has been fully considered within the valuation.

The result for the year can be reconciled to the profit/ (loss) before tax in the profit and loss account as follows:

	Year ended 31 December 2022 Total £'000's	Year ended 31 December 2021 Total £'000's
Profit before tax on continuing operations	9,487	1,265
Tax at the UK corporation tax rate of 19.0%	1,803	240
Investment income not assessable for tax purposes	(2,161)	(653)
Tax effect of interest not deductible in determining taxable loss	359	413
Group relief receipt	-	270
Tax result for the year	-	270

9. Investments at fair value through profit or loss

	31 December 2022 £'000's	31 December 2021 £'000's
Brought forward	41,821	43,685
Investments in the year	-	118
Distributions received	(4,099)	(5,421)
Interest income	504	506
Dividend income	3,855	4,659
Gain/(Loss) on valuation	7,015	(1,727)
Other movements	1	1
Carrying amount at year end	49,097	41,821
This is represented by:		
Less than one year	-	-
Greater than one year	49,097	41,821
Carrying amount at year end	49,097	41,821

This is represented by:		
Investment through equity	37,968	38,008
Investment through debt	8,407	8,107
Gains/(loss) on valuation	2,722	(4,294)
Carrying amount at year end	49,097	41,821

The gain /(loss) on revaluation of investments are unrealised.

10. Subsidiary

Details of the Company's subsidiary at 31 December 2022 and 31 December 2021 are as follows:

Name	**Country**	**31 December 2022 Ownership Interest**	**31 December 2021 Ownership Interest**
Little Raith Wind Farm Limited	United Kingdom	100%	100%

The investment in subsidiary is stated at fair value. The principal activity of the Company was the operation of wind farms to generate electricity.

The subsidiary above is registered at Beaufort Court, Egg Farm Lane, Kings Langley, England, WD4 8LR, UK.

11. Creditors: Amounts falling due after more than one year

Unsecured borrowings at amortised cost

	31 December 2022 £'000's	**31 December 2021** £'000's
Amounts owed to parent undertakings	32,098	31,719
	32,098	31,719

Total borrowings

	31 December 2022 £'000s	**31 December 2021** £'000s
Amount due for settlement within 12 months	-	-
Amount due for settlement after 12 months	32,098	31,719
	32,098	31,719
Amount due for settlement after 5 years	32,098	31,719

Interest on long-term borrowings from parent undertakings (immediate parent, TRIG UK I) accrues at interest rate of 6% per annum. During the year, interest totalling £2.1m (2021: £2.5m) was charged to the profit and loss account, of which £nil remained payable at the balance sheet date.

The repayment date of the long-term borrowings is 31 December 2036.

12. Share capital and share premium

	31 December 2022 £'000's	31 December 2021 £'000's
Authorised:		
1,200 Ordinary shares of £1 each	1	1
Share premium	11,625	11,625
Authorised at 31 December	11,626	11,626
Issued and fully paid:		
1,200 Ordinary shares of £1 each	1	1
Share premium	11,625	11,625
Issued and fully paid at 31 December	11,626	11,626

During the year, the Company issued no (2021: nil) ordinary shares.

The share premium reserve contains the premium arising on issue of equity shares. As at 31 December 2022, this balance was £11,624,900 (2021: £11,624,900).

13. Cash flow statement

	31 December 2022 £'000's	31 December 2021 £'000's
Operating profit/(loss)	11,366	3,430
Adjustments for:		
Interest income	(504)	(506)
Dividend income	(3,855)	(4,659)
Gain/(loss) on investments	(7,015)	1,727
Operating cash flow before movement in working capital	(8)	(8)
Changes in working capital:		
Other movements	(2)	-
Increase in creditors	6	-
Cash flow from operations	(4)	(8)
Cash received from investments	4,100	5,692
Cash generated by operations	4,096	5,684

14. Net debt reconciliation

	31 December 2022 £'000's	31 December 2021 £'000's
Net increase/(decrease) in cash and cash equivalent	2,596	(666)
Cash payment of interest and principal on loan notes	1,500	6,350
Issue of loan notes to fund investments	-	(118)
Interest due for the year	(1,879)	(2,165)
Other movements	(6)	-
Movement in debt in the year	**2,211**	**3,399**
Net debt at the start of the year	(31,396)	(34,795)
Net debt at the end of the year	**(29,185)**	**(31,396)**

Net debt is defined as:

	31 December 2022 £'000's	31 December 2021 £'000's
Cash and cash equivalents at the end of the year	2,926	330
Creditors: Amounts falling due within one year	(13)	(7)
Creditors: Amounts falling due after more than one year	(32,098)	(31,719)
Total net debt	**(29,185)**	**(31,396)**

15. Contingent consideration

The Company has no performance-related contingent consideration obligations relating to acquisitions or other activity entered into by the Company.

16. Events after the balance sheet date

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

17. Related party and key advisor transactions

Loans from related parties:

	31 December 2022 £'000's	31 December 2021 £'000's
Long-term borrowings from parent undertakings	32,098	31,719
	32,098	31,719

The amount payable is owed to the Company's immediate parent, The Renewables Infrastructure Group UK Investments.

18. Controlling party

The Company's immediate parent is The Renewable Infrastructure Group (UK) Investments Limited ("TRIG UK I"), the 100% owned single, direct subsidiary of The Renewables Infrastructure Group (UK) Ltd ("TRIG UK"), which itself is the 100% owned single, direct subsidiary of The Renewables Infrastructure Group Ltd ("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. The Company's ultimate Parent Company and controlling party is therefore TRIG Ltd. Copies of the financial statements of TRIG Ltd are available from their website www.trig-ltd.com.

No group financial statements are drawn up for any group which the Company is a member of.