GREENCOAT
UK WIND

Greencoat UK Wind PLC

Annual Report

For the year ended 31 December 2019

GREENCOAT UK WIND

Contents

All capitalised terms are defined in the list of defined terms on pages 85 to 87 unless separately defined.

Summary

Greencoat UK Wind PLC is the leading listed renewable infrastructure fund, invested in UK wind farms. The Company's aim is to provide investors with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio in the long term on a real basis through reinvestment of excess cashflow and the prudent use of gearing.

The Company provides investors with the opportunity to participate directly in the ownership of UK wind farms, so increasing the resources and capital dedicated to the deployment of renewable energy and the reduction of greenhouse gas emissions.

Highlights

- The Group's investments generated 2,385GWh of electricity.
- Net cash generation (Group and wind farm SPVs) was £127.7 million.
- Investments in Stronelairg, Dunmaglass and Tom nan Clach increased the portfolio to 35 operating wind farm investments, net generating capacity to 979MW and GAV to £2,442.8 million as at 31 December 2019.
- Acquisition of Douglas West and agreement to acquire Glen Kyllachy, Windy Rig and Twentyshilling, all subsidy free wind farm projects which are expected to become operational in 2021.
- Issuance of further shares raising £505.7 million in the year.
- The Company has declared total dividends of 6.94 pence per share with respect to the year and is targeting a dividend of 7.1 pence per share for 2020 (increased in line with December 2019 RPI).
- £600 million outstanding borrowings at 31 December 2019, equivalent to 25 per cent of GAV.

Key Metrics

	As at 31 December 2019	As at 31 December 2018
Market capitalisation	£2,282.4 million	£1,425.6 million
Share price	150.4 pence	126.0 pence
Dividends with respect to the year	£100.4 million	£74.8 million
Dividends with respect to the year per share	6.94 pence	6.76 pence
GAV	£2,442.8 million	£1,872.8 million
NAV	£1,842.8 million	£1,392.8 million
NAV per share	121.4 pence	123.1 pence
NAV movement per share (adjusting for dividends)	(1.7) pence	11.8 pence
Total return (NAV)	4.3 per cent	17.0 per cent
TSR	25.4 per cent	8.3 per cent

Defining Characteristics

Greencoat UK Wind PLC was designed for investors from first principles to be simple, transparent and low risk.

- The Group is invested solely in UK wind farms.
- Wind is the most mature and largest scale renewable technology.
- The UK has a long established regulatory regime, high wind resource and £60 billion of wind farms in operation.
- The Group is wholly independent and thus avoids conflicts of interests in its investment decisions.
- The independent Board is actively involved in key investment decisions and in monitoring the efficient operation of the assets, and works in conjunction with the most experienced investment management team in the sector.
- Low gearing (including no debt at wind farm level) is important to ensure a high level of cashflow stability and higher tolerance to downside sensitivities.
- The Group invests in sterling assets and thus does not incur material currency risk.

Chairman's Statement

I am pleased to present the Annual Report of Greencoat UK Wind PLC for the year ended 31 December 2019.

Performance

2019 was a significant year of growth for the Company with £598 million invested in new wind farms and £506 million of new equity raised.

During the year, portfolio generation was below budget at 2,385GWh owing to low wind resource. Power prices were also below budget. Despite both of these adverse aspects, net cash generated by the Group and wind farm SPVs was £127.7 million. Dividends paid in the year totalled £93.2 million, thus dividend cover was a healthy 1.4x.

By the end of 2019, the portfolio was providing sufficient electricity to power nearly 1 million homes and reducing carbon dioxide emissions by approximately 1.2 million tonnes per annum through the displacement of thermal generation.

Dividends and Returns

Declared dividends for the year total 6.94 pence per share, with the fourth and final quarterly dividend of 1.735 pence per share to be paid on 28 February 2020. With our continuing strong cashflow and robust dividend cover we can confidently target a dividend of 7.1 pence per share with respect to 2020, again increased in line with December's RPI.

NAV per share decreased, largely due to a reduction in the long term power price forecast used, from 121.4 pence per share (ex dividend) on 31 December 2018 to 119.7 pence per share (ex dividend) on 31 December 2019, a decrease of 1.7 pence (1.4 per cent) during the year. Nonetheless since listing, NAV has increased by more than RPI, as can be seen on the chart on page 20, meaning that we have continued to meet this key objective of the Group as well as continuing to increase the dividend by RPI.

The Total Shareholder Return for the year was 25.4 per cent, and since listing has been 115.1 per cent.

Acquisitions

2019 has been an active investment year for us. In March, we completed our investment into the Stronelairg and Dunmaglass wind farms, both of which are accredited under the ROC regime, taking our total of such ROC investments to 34. In June, we completed our investment in Tom nan Clach, our first CFD wind farm. Since its acquisition in March, we have invested £14 million in our Douglas West subsidy free project and in Q4 we announced agreements to acquire 3 more subsidy free projects, Glen Kyllachy, Windy Rig and Twentyshilling, and will invest £162 million in them once they have been completed and start operations in 2021.

By matching subsidy free wind farms, whose revenues are entirely dependent on market prices for electricity, with wind farms whose electricity is sold at fixed prices, we expect the risk and return to be similar to ROC accredited wind farms.

Equity Issuance

In order to finance our continuing growth and pursue value creating opportunities, we issued 103 million new shares in February 2019 at a price of 127 pence per share and 282 million new shares in May 2019 at 133 pence per share, raising total gross proceeds of £506 million: both equity raisings were oversubscribed and again issued at prices significantly higher than NAV per share and were therefore NAV per share accretive.

Gearing

As at 31 December 2019, the Group had £600 million of debt outstanding, equating to 25 per cent of GAV with average gearing during the year of 26 per cent. In November 2019 we arranged a further £200 million of long term fixed rate debt and reduced borrowings under the Group's £300 million revolving credit facility to zero. Borrowing, currently all longer term, consists of various maturities stretching out to November 2026, thus reducing financing risk. The weighted average cost of borrowing is 2.77 per cent.

The Group will generally avoid using non-recourse debt at wind farm level and aims to keep overall Group level borrowings at a prudent level (the maximum is 40 per cent of GAV). Over the medium term we would expect gearing to be between 20 and 30 per cent of GAV.

Chairman's Statement continued

Strategy and Outlook

In 2013, when the Company first listed, 7 per cent of the UK's electricity demand was supplied by wind energy. By 2019, this figure has increased to 20 per cent. Wind continues to be the most mature and widely deployed renewable energy technology in the UK. In June 2019, the UK parliament adopted a net zero emissions target for 2050, going further than previous legislation, which mandated 80 per cent emission reductions by 2050. Decarbonisation of the electricity sector, primarily through renewable generation, will be critical to achieving this. We watched the recent General Election with interest, specifically noting the environmental commitments of all the major parties. We do not expect any material change to the Company's business as a result of the UK exiting the European Union.

Our Investment Objective has remained unchanged over the last 7 years since listing: to provide shareholders with an annual dividend that increases in line with RPI inflation while preserving the capital value of the investment portfolio in real terms. This is achieved through a focused strategy of investing only in wind farms and only in the UK. Our intention remains to adhere strictly to this core strategy.

Growth by acquisition brings benefits to shareholders as:

- a larger scale brings economies and enables better terms to be obtained from suppliers;
- equity placings following acquisitions provide additional opportunity for shareholders to increase their investment in the Company. Although not pre-emptive, a strong preference is given to existing shareholders when allocating shares in our equity placings;
- these equity placings are priced at a premium to NAV per share thus enhancing overall NAV per share for existing shareholders; and
- equity placings increase the liquidity of shares in the market. During 2019 on average 15 million of the Company's shares were traded weekly on the London Stock Exchange.

During 2019 we made investments and commitments totalling over £800 million, of which approximately 60 per cent are in ROC accredited wind farms. Although we are starting to see attractive CFD and subsidy free assets, we expect in the foreseeable future that the majority of future investments will continue to be made from UK wind farms accredited under the ROC regime.

The executive management continues to maintain a disciplined acquisition strategy: if a potential investment is not in line with the Company's investment objectives, or is otherwise not in the interests of shareholders, then we will not invest.

Through strong cashflow and robust dividend cover, coupled with our disciplined approach, we are confident in our ability to continue to meet the objectives of dividend growth in line with RPI and capital preservation in real terms.

The Board and Governance

During the year, with the aid of Genius Methods we undertook an externally assisted Board effectiveness evaluation and have implemented improvements. The Company's governance is further described on pages 36 to 41.

As part of our Board succession, following an external process conducted by the search firm Heidrick & Struggles, we appointed Lucinda Riches C.B.E. and Caoimhe Giblin to the Board as non-executive Directors. Between them they bring, inter alia, a wide experience of equity capital markets and mergers and acquisitions, as well as a deep understanding of the electricity industry.

We also announced the retirement of Dan Badger and I would like to thank him for his invaluable contribution to the Company.

Annual General Meeting

Our AGM will take place at 2.00 pm on Thursday 30 April 2020 at the office of the Investment Manager. Details of the formal business of the meeting are set out in a separate circular which is sent to shareholders with the Annual Report. We look forward to meeting with shareholders on that occasion.

Conclusion

I have had the privilege and pleasure of being Chairman of Greencoat UK Wind since its inception in 2012, and now, after more than 7 years in the role, I feel it is time for me to retire and will be stepping down from the Board after our AGM on 30 April 2020. As already announced, my successor as Chairman will be Shonaid Jemmett-Page (presently Chairman of the Audit Committee) and I am very confident that the Company will be in excellent hands.

Chairman's Statement continued

Conclusion continued

Over the 7 years since our IPO in March 2013, the Company has rigorously adhered to its strategy and has met or exceeded all the targets set at that time, demonstrating the validity of that strategy. As a result, considerable shareholder value has been created. Given our policy to increase an annual dividend in line with RPI inflation, we watch the dividend cover provided each year by the net cash generated from the wind farms as this is a number not dependent on any assumptions, forecasts or judgements. Since our IPO, despite our high dividend yield, this cover has healthily fluctuated between 1.4x and 1.8x providing strong reinvestment, and demonstrating the resilience of our business model.

Finally, I would like to take this occasion to thank my fellow Directors for their support and guidance, which has been very much appreciated, and also to thank our Investment Manager, Greencoat Capital, for its great contribution to our success. I would particularly like to thank our management, Stephen Lilley and Laurence Fumagalli, who conceived and set up the Company, and, together with their team, have created significant shareholder value and led to such successful growth of the Company.

Tim Ingram
Chairman

26 February 2020

Strategic Report

Introduction

The Directors present their Strategic Report for the year ended 31 December 2019. Details of the Directors who held office during the year and as at the date of this report are given on pages 25 to 28.

Investment Objective

The Company's aim is to provide investors with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio in the long term on a real basis through reinvestment of excess cashflow and the prudent use of gearing.

The Company provides investors with the opportunity to participate directly in the ownership of UK wind farms, so increasing the resources and capital dedicated to the deployment of renewable energy and the reduction of greenhouse gas emissions.

The target return to investors is an IRR net of fees and expenses of 8 per cent to 9 per cent. The 2019 dividend of 6.94 pence per annum is targeted to increase in line with December 2019 RPI to 7.1 pence for 2020. Progress on the objectives is measured by reference to the key metrics on page 1.

Investment Policy

The Group invests in UK wind farms predominantly with a capacity of over 10MW, which sell the power produced and associated green benefits to creditworthy UK offtakers.

As the Group has no borrowings at wind farm level, and only limited borrowing at the Group level, the annual dividend is sufficiently protected against lower power prices. At the same time, it has the ability to benefit from higher power prices as the Group is not required to be locked into long term fixed price contracts.

The Group has used debt facilities to make additional investments in the year. This has enhanced the Group's attractiveness to sellers since execution risk is greatly diminished, with the Group effectively being a cash buyer. The Group will continue to use short term debt facilities to make further investments.

The Group will look to repay its short term debt facilities by refinancing them with longer term debt facilities or in the equity markets in order to refresh its debt capacity. While debt facilities are drawn, the Group benefits from an increase in investor returns because borrowing costs are below the underlying return on investments.

The Group invests in both onshore and offshore wind farms with the amount invested in offshore wind farms being capped at 40 per cent of GAV at acquisition.

The Board believes that there is a significant market in which the Group can continue to grow over the next few years.

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Strategic Report continued

Structure

The Company is a UK registered investment company with a premium listing on the London Stock Exchange. The Group comprises the Company and Holdco. Holdco invests in SPVs which hold the underlying wind farm assets. The Group employs Greencoat Capital LLP as its Investment Manager.

Discount Control

The Articles of Association require a continuation vote by shareholders if the share price were to trade at an average discount to NAV of 10 per cent or more over a 12 month period. Notwithstanding this, it is the intention of the Board for the Company to buy back its own shares in the market if the share price is trading at a material discount to NAV, providing of course that it is in the interests of shareholders to do so.

Review of Business and Future Outlook

A detailed discussion of individual asset performance and a review of the business in the year together with future outlook are covered in the Investment Manager's Report on pages 11 to 24.

Key Performance Indicators

The Board believes that the key metrics detailed on page 1, which are typical for investment entities, will provide shareholders with sufficient information to assess how effectively the Group is meeting its objectives.

Ongoing Charges

The ongoing charges ratio of the Company is 1.07 per cent of the weighted average NAV for the year to 31 December 2019. This is made up as follows and has been calculated using the AIC recommended methodology.

	31 December 2019 £'000	31 December 2019 %	31 December 2018 £'000	31 December 2018 %
Total management fee	16,491	0.98%	13,189	1.04%
Directors' fees	268	0.02%	233	0.02%
Ongoing expenses[1]	1,231	0.07%	955	0.07%
Total	**17,990**	**1.07%**	**14,377**	**1.13%**
Weighted average NAV	**1,687,939**		1,273,943	

[1] Ongoing expenses do not include £925k (2018: £743k) of management and administration fees relating to the wind farm SPVs that is recharged to them, £1,032k (2018: £nil) of historical irrecoverable VAT, £61k (2018: £42k) of broken deal costs and £55k (2018: £nil) of additional discretionary Directors' fees for work incurred in connection with the 2019 share placings.

Assuming no changes in NAV, the 2020 ongoing charges ratio is expected to be 1.04 per cent.

The Investment Manager is not paid any performance or acquisition fees.

Corporate and Social Responsibility

Environmental, Social and Governance Matters

The Group invests in wind farms and the environmental benefits of renewable energy are widely known.

Although the non-executive Board has overall responsibility for the activities of the Company and its investments, the day-to-day management of the business is delegated to the Investment Manager. This includes responsibility for ESG matters. The Investment Manager assesses how ESG should be managed and the Company has developed its ESG policy in accordance with the Investment Manager's ESG Framework Policy, and the approach has two streams: pre-investment and ongoing management. The full ESG policy of the Company and the ESG report are available on the Company's website: www.greencoat-ukwind.com.

Responsible investing principles have been applied to each of the investments made. These policies require the Group to make reasonable endeavours to procure the ongoing compliance of its portfolio companies with its policies on responsible investment.

Employees and Officers of the Company

The Company does not have any employees and therefore employee policies are not required. The Directors of the Company are listed on page 83.

Diversity

The Group's policy on diversity is detailed in the Corporate Governance Report on page 37.

Principal Risks and Uncertainties

In the normal course of business, investee companies have a rigorous risk management framework with a comprehensive risk register that is reviewed and updated regularly and approved by its board. The principal risks identified by the Board to the performance of the Group are detailed below. The Board do not consider the likelihood or impact of these risks to have changed in the year.

The Board maintains a risk matrix setting out the risks affecting both the Group and the investee companies. This risk matrix is reviewed and updated at least annually to ensure that procedures are in place to identify principal risks, mitigate and minimise the impact of those risks should they crystallise and to identify emerging risks and to determine whether any actions are required. This enables the Board to carry out a robust assessment of the risks facing the Group, including those risks that would threaten its business model, future performance, solvency or liquidity.

Strategic Report continued

Principal Risks and Uncertainties continued

The risk appetite of the Group is considered in the light of the principal risks and their alignment with the Company's Investment Objective. The Board considers the risk appetite of the Group and the Company's adherence to the Investment Policy in the context of the regulatory environment taking into account, inter alia, gearing and financing risk, wind resource risk, the level of exposure to power prices and environmental and health and safety risks.

As it is not possible to eliminate risks completely, the purpose of the Group's risk management policies and procedures is not to eliminate risks, but to reduce them and to ensure that the Group is adequately prepared to respond to such risks and to minimise any impact if the risk develops.

The spread of assets within the portfolio ensures that the portfolio benefits from a diversified wind resource and spreads the exposure to a number of potential technical risks associated with grid connections and with local distribution and national transmission networks. In addition, the portfolio includes 6 different turbine manufacturers, which diversifies technology and maintenance risks. Finally, each site contains a number of individual turbines, the performance of which is largely independent of other turbines.

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Risks Affecting the Group

Investment Manager

The ability of the Group to achieve the Company's Investment Objective depends heavily on the experience of the management team within the Investment Manager and more generally on the Investment Manager's ability to attract and retain suitable staff. The sustained growth of the Group depends upon the ability of the Investment Manager to identify, select and execute further investments which offer the potential for satisfactory returns.

The Investment Management Agreement includes key man provisions which would require the Investment Manager to employ alternative staff with similar experience relating to investment, ownership, financing and management of wind farms should for any reason any key man cease to be employed by the Investment Manager. The Investment Management Agreement ensures that no investments are made following the loss of key men until suitable replacements are found and there are provisions for a reduction in the investment management fee during the loss period. It also outlines the process for their replacement with the Board's approval. In addition, the key men are shareholders in the Company.

Financing Risk

The Group will finance further investments either by borrowing or by issuing further shares. The ability of the Group to deliver expected real NAV growth is dependent on access to debt facilities and equity capital markets. There can be no assurance that the Group will be able to borrow additional amounts or refinance on reasonable terms or that there will be a market for further shares.

Investment Returns Become Unattractive

A significantly strengthening economy may lead to higher future interest rates which could make the listed infrastructure asset class relatively less attractive to investors. In such circumstances, it is likely that there will be an increase in inflation (to which the revenues and costs of the investee companies are either indexed or significantly correlated) or an increase in power prices (due to greater consumption of power) or both. Both would increase the investment return and thus would provide a degree of mitigation against higher future interest rates.

Strategic Report continued

Risks Affecting Investee Companies

Regulation

If a change in Government renewable energy policy were applied retrospectively to current operating projects including those in the Group's portfolio, this could adversely impact the market price for renewable energy or the value of the green benefits earned from generating renewable energy. The Government has evolved the regulatory framework for new projects being developed but has consistently stood behind the framework that supports operating projects as it understands the need to ensure investors can trust regulation.

Electricity Prices

Other things being equal, a decline in the market price of electricity would reduce the portfolio companies' revenues. Approximately 50 per cent of the Group's revenues are exposed to the floating power price.

The Group's dividend policy has been designed to withstand significant short term variability in power prices. A longer period of power price decline would materially affect the revenues of investee companies. In general, independent forecasters expect UK wholesale power prices to rise in real terms from current levels, driven by higher gas and carbon prices.

Wind Resource

The investee companies' revenues are dependent upon wind conditions, which will vary across seasons and years within statistical parameters. The standard deviation of energy production is 10 per cent over a 12 month period (less than 2 per cent over 30 years). Since long term variability is low, there is no significant diversification benefit to be gained from geographical diversification across weather systems.

The Group does not have any control over the wind resource but has no debt at wind farm level and has designed its dividend policy such that it can withstand significant short term variability in production relating to wind. Before investment, the Group carries out extensive due diligence and relevant historical wind data is available over a substantial period of time. The other component of wind energy generation, a wind farm's ability to turn wind into electricity, is mitigated by purchasing wind farms, where possible, with a proven operating track record.

When acquiring wind farms that have only recently entered into operation, only limited operational data is available. In these instances, the acquisition agreements with the vendors of these wind farms will include a "wind energy true-up" or an appropriate discount.

Asset Life

In the event that the wind turbines do not operate for the period of time assumed by the Group or require higher than expected maintenance expenditure to do so, it could have a material adverse effect on investment returns.

The Group performs regular reviews and ensures that maintenance is performed on all wind turbines across the wind farm portfolio. Regular maintenance ensures the wind turbines are in good working order, consistent with their expected life-spans.

Health and Safety and the Environment

The physical location, operation and maintenance of wind farms may, if inadequately assessed and managed, pose health and safety risks to those involved. Inappropriate wind farm operation and maintenance may result in bodily injury, particularly if an individual were to fall from height, fall or be crushed in transit from a vessel to an offshore installation or be electrocuted. If an accident were to occur in relation to one or more of the Group's investments and if the Group were deemed to be at fault, the Group could be liable for damages or compensation to the extent such loss is not covered by insurance policies. In addition, adverse publicity or reputational damage could ensue.

The Board reviews health and safety at each of its scheduled Board meetings and Martin McAdam serves as the appointed Health and Safety Director. The Group engages an independent health and safety consultant to ensure the ongoing appropriateness of its health and safety policies.

The investee companies comply with all regulatory and planning conditions relating to the environment, including in relation to noise emissions, habitat management and waste disposal.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Investment Manager's Report. The Group faces a number of risks and uncertainties, as set out above. The financial risk management objectives and policies of the Group, including exposure to price risk, interest rate risk, credit risk and liquidity risk are discussed in note 18 to the financial statements.

The Group continues to meet day-to-day liquidity needs through its cash resources.

Strategic Report continued

Going Concern continued

As at 31 December 2019, the Group had net current assets of £19.6 million (2018: £1.6 million) and had cash balances of £24.7 million (2018: £3.4 million) (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Group are the payment of dividends and costs relating to the acquisition of new assets, both of which are discretionary. The Group had £600 million (2018: £480 million) of outstanding debt as at 31 December 2019. The Group is expected to continue to comply with the covenants of its banking facilities going forward.

The Directors have reviewed Group forecasts and projections which cover a period of at least 12 months from the date of approval of this report, taking into account foreseeable changes in investment and trading performance, which show that the Group has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this report.

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the date of approval of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Longer Term Viability

As further disclosed on page 36, the Company is a member of the AIC and complies with the AIC Code. In accordance with the AIC Code, the Directors are required to assess the prospects of the Group over a period longer than the 12 months associated with going concern. The Directors conducted this review for a period of 10 years, which it deemed appropriate, given the long term nature of the Group's investments which are modelled over 30 years, coupled with its long term strategic planning horizon.

In considering the prospects of the Group, the Directors looked at the key risks facing both the Group and the investee companies as detailed on pages 6 to 8, focusing on the likelihood and impact of each risk as well as any key contracts, future events or timescales that may be assigned to each key risk. The Directors also tested the Company's ability to remain viable under several robust downside scenarios.

As a sector-focused infrastructure fund, the Group aims to produce stable and inflating dividends while preserving the capital value of its investment portfolio on a real basis. The Directors believe that the Group is well placed to manage its business risks successfully over both the short and long term and accordingly, the Board has a reasonable expectation that the Group will be able to continue in operation and to meet its liabilities as they fall due for a period of at least 10 years.

While the Directors have no reason to believe that the Group will not be viable over a longer period, they are of the opinion that it would be difficult to foresee the economic viability of any company with any degree of certainty for a period of time greater than 10 years.

Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006

The Directors are responsible for acting in a way that they consider, in good faith, is the most likely to promote the success of the Company for the benefit of its members. In doing so, they should have regard for the needs of stakeholders and the wider society. The Company's objective is to provide investors with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio in the long term on a real basis through reinvestment of excess cashflow and the prudent use of gearing.

The Company provides investors with the opportunity to participate directly in the ownership of UK wind farms, so increasing the resources and capital dedicated to the deployment of renewable energy and the reduction of greenhouse gas emissions.

Key decisions are those that are either material to the Company or are significant to any of the Company's key stakeholders, as defined on pages 40 to 41. The Company's engagement with its key stakeholders, including the Investment Manager, is discussed further in the Corporate Governance Report. The below key decisions were made or approved by the Directors during the year, with the overall aim of promoting the success of the Company while considering the impact on its members and wider stakeholders.

Dividends

The Board has approved total dividends of 6.94 pence per share with the respect to the year and shareholders voted 99.66 per cent in favour to approve the Company's dividend policy at the AGM on 26 April 2019. The Board are confident that with the Company's continuing strong cashflow and robust dividend cover, the Company can target a dividend of 7.1 pence per share for 2020, which the Board expect to contribute to the Company's target return to investors of an IRR of 8 per cent to 9 per cent, net of fees and expenses.

Strategic Report continued

Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006 continued

Acquisitions

During the year, the Company acquired 2 ROC wind farms, 1 CFD wind farm and 1 subsidy free wind farm project. It also agreed to acquire 3 further subsidy free wind farm projects once constructed. All 4 subsidy free projects are expected to become operational in 2021. Following recommendation from the Investment Manager, the Directors considered each investment in the context of the Company's Investment Policy, availability of financing and the potential returns to investors. They also considered each acquisition in the context of sustainability and its impact on the surrounding community.

Share Issues

During the year, the Company issued 385 million further shares, raising £506 million, through 2 oversubscribed share placings. The Company issued a prospectus in May 2019 and the Investment Manager engaged with analysts and investors throughout each share issuance process.

Board Composition and Independent Review

During the year, Dan Badger resigned as a Director of the Company and, following engagement with the search firm Heidrick & Struggles, Lucinda Riches C.B.E. and Caoimhe Giblin were appointed to the Board. Appointments were made based on merit and against objective criteria.

As disclosed on page 37, the Board engaged Genius Methods to perform a full external review of the effectiveness of the Board during the year. The independent review included a review of the Board's culture and concluded that the Board and its committees were working closely with a strong, committed Investment Manager to promote the success of the Company.

On behalf of the Board

Tim Ingram
Chairman

26 February 2020

Dunmaglass

Investment Manager's Report

The Investment Manager

The investment management team's experience covers wind farm investment, ownership, finance and operation. All the skills and experience required to manage the Group's investments lie within a single investment manager. The Investment Manager is authorised and regulated by the Financial Conduct Authority and is a full scope UK AIFM.

Since listing in March 2013, the team has been led by Stephen Lilley and Laurence Fumagalli.

Stephen has 23 years of investment management and financing experience in addition to 6 years in the nuclear industry. Prior to joining the Investment Manager in March 2012, Stephen led the renewable energy infrastructure team at Climate Change Capital (CCC) from May 2010. Prior to CCC, he was a senior director of Infracapital Partners LP, M&G's European Infrastructure fund. During this time, Stephen led over £400 million of investments, including the acquisition of stakes in Kelda Group (Yorkshire Water), Zephyr (wind farms) and Meter Fit (gas/electricity metering). He also sat on the boards of these companies after acquisition. Prior to this, he was a director at Financial Security Assurance, where he led over £2 billion of underwritings in the infrastructure and utility sectors. He also worked for the investment companies of the Serco and Kvaerner Groups.

Laurence also has 23 years of investment management and financing experience. Prior to joining the Investment Manager in March 2012, Laurence held a number of senior roles within CCC from 2006 to 2011. Initially he co-headed CCC's advisory team before transferring in 2007 to the carbon finance team. Laurence joined Stephen in the renewable energy infrastructure team in early 2011. From 2003-2006, Laurence headed the Bank of Tokyo-Mitsubishi's London-based renewables team, where he financed and advised on over 1GW of UK wind. Prior to the Bank of Tokyo-Mitsubishi, Laurence worked in the power project finance team at NatWest.

Investment Manager's Report continued

Investment Portfolio

Operating portfolio as at 31 December 2019:

Wind Farm	Turbines	Operator	PPA	Total MW	Ownership Stake	Net MW
Bicker Fen	Senvion	EDF	EDF	26.7	80%	21.3
Bin Mountain	GE	SSE	SSE	9.0	100%	9.0
Bishopthorpe	Senvion	BayWa	Axpo	16.4	100%	16.4
Braes of Doune	Vestas	DNV-GL	Centrica	72.0	50%	36.0
Brockaghboy	Nordex	SSE	SSE	47.5	100%	47.5
Carcant	Siemens	DNV-GL	SSE	6.0	100%	6.0
Church Hill	Enercon	Energia	Energia	18.4	100%	18.4
Clyde	Siemens	SSE	SSE	522.4	28.2%	147.3
Corriegarth	Enercon	BayWa	Centrica	69.5	100%	69.5
Cotton Farm	Senvion	BayWa	Sainsbury's	16.4	100%	16.4
Crighshane	Enercon	Energia	Energia	32.2	100%	32.2
Deeping St. Nicholas	Senvion	EDF	EDF	16.4	80%	13.1
Drone Hill	Nordex	BayWa	Statkraft	28.6	51.6%	14.8
Dunmaglass	GE	SSE	SSE	94.0	35.5%	33.4
Earl's Hall Farm	Senvion	BayWa	Sainsbury's	10.3	100%	10.3
Glass Moor	Senvion	EDF	EDF	16.4	80%	13.1
Kildrummy	Enercon	BayWa	Sainsbury's	18.4	100%	18.4
Langhope Rig	GE	Natural Power	Centrica	16.0	100%	16.0
Lindhurst	Vestas	RWE	RWE	9.0	49%	4.4
Little Cheyne Court	Nordex	RWE	RWE	59.8	41%	24.5
Maerdy	Siemens	DNV-GL	Statkraft	24.0	100%	24.0
Middlemoor	Vestas	RWE	RWE	54.0	49%	26.5
North Hoyle	Vestas	RWE	RWE	60.0	100%	60.0
North Rhins	Vestas	DNV-GL	E.ON	22.0	51.6%	11.4
Red House	Senvion	EDF	EDF	12.3	80%	9.8
Red Tile	Senvion	EDF	EDF	24.6	80%	19.7
Rhyl Flats	Siemens	RWE	RWE	90.0	24.95%	22.5
Screggagh	Nordex	SSE	Energia	20.0	100%	20.0
Sixpenny Wood	Senvion	BayWa	Statkraft	20.5	51.6%	10.6
Slieve Divena	Nordex	SSE	SSE	30.0	100%	30.0
Stronelairg	Vestas	SSE	SSE	227.7	35.5%	80.9
Stroupster	Enercon	BayWa	BT	29.9	100%	29.9
Tappaghan	GE	SSE	SSE	28.5	100%	28.5
Tom nan Clach	Vestas	Natural Power	CFD	39.1	75%	29.3
Yelvertoft	Senvion	BayWa	Statkraft	16.4	51.6%	8.5
Total[1]						**979.4**

[1] Numbers do not cast owing to rounding of (0.2)MW.

Investment Manager's Report continued

Investment Portfolio continued

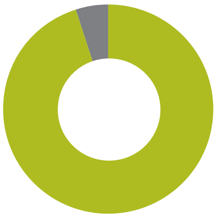
1 Bicker Fen
2 Bin Mountain
3 Bishopthorpe
4 Braes of Doune
5 Brockaghboy
6 Carcant
7 Church Hill
8 Clyde
9 Corriegarth
10 Cotton Farm
11 Crighshane
12 Deeping St. Nicholas
13 Drone Hill
14 Dunmaglass
15 Earl's Hall Farm
16 Glass Moor
17 Kildrummy
18 Langhope Rig
19 Lindhurst
20 Little Cheyne Court
21 Maerdy
22 Middlemoor
23 North Hoyle
24 North Rhins
25 Red House
26 Red Tile
27 Rhyl Flats
28 Screggagh
29 Sixpenny Wood
30 Slieve Divena
31 Stronelairg
32 Stroupster
33 Tappaghan
34 Tom nan Clach
35 Yelvertoft

Investment Manager's Report continued

Investment Portfolio continued

Breakdown of operating portfolio by value as at 31 December 2019:

Onshore/Offshore

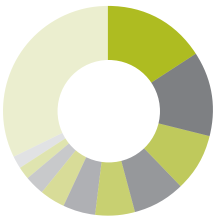


Geography

Asset Age

Turbine Manufacturer

Assets



Stronelairg

Investment Manager's Report continued

Portfolio Performance

Portfolio generation for the year was 2,385GWh, 11 per cent below budget owing to low wind resource.

The following table shows wind speed and portfolio generation relative to budget since listing:

	UK weighted average wind speed (variation to long term mean)	Generation (variation to budget)
2013 (adjusted)	+3%	+8%
2014	-2%	-3%
2015	+5%	+8%
2016	-6%	-6%
2017	-1%	0%
2018	-4%	-6%
2019	-8%	-11%

Variation to budget lies within reasonable statistical parameters. The annual standard deviation of wind speed is 6 per cent and the annual standard deviation of generation is 10 per cent (less than 2 per cent over 30 years).

The following table provides a breakdown of generation by wind farm:

Wind Farm	Ownership Stake	Period	2019 Budget (GWh)	2019 Actual (GWh)	Variance	2020 Budget (GWh)
Bicker Fen	80%	Jan – Dec	44.0	38.8	-12%	44.9
Bin Mountain	100%	Jan – Dec	26.3	20.6	-22%	25.0
Bishopthorpe	100%	Jan – Dec	51.1	45.6	-11%	51.1
Braes of Doune	50%	Jan – Dec	85.2	83.1	-3%	85.7
Brockaghboy	100%	Jan – Dec	175.8	135.5	-23%	167.0
Carcant	100%	Jan – Dec	17.4	17.7	2%	17.4
Church Hill	100%	Jan – Dec	42.1	34.2	-19%	40.0
Clyde	28.2%	Jan – Dec	445.0	406.2(1)	-9%	458.6
Corriegarth	100%	Jan – Dec	214.6	191.9(1)	-11%	220.8
Cotton Farm	100%	Jan – Dec	51.7	47.5	-8%	52.1
Crighshane	100%	Jan – Dec	67.8	56.1	-17%	64.4
Deeping St. Nicholas	80%	Jan – Dec	29.8	27.5	-8%	29.8
Drone Hill	51.6%	Jan – Dec	31.0	29.0	-7%	31.0
Dunmaglass	35.5%	Apr – Dec	89.6	82.1(1)	-8%	128.0
Earl's Hall Farm	100%	Jan – Dec	32.4	29.1	-10%	32.5
Glass Moor	80%	Jan – Dec	29.4	25.7	-13%	29.4
Kildrummy	100%	Jan – Dec	56.7	53.2	-6%	56.7
Langhope Rig	100%	Jan – Dec	46.2	45.3	-2%	47.6
Lindhurst	49%	Jan – Dec	11.6	10.0	-14%	11.6
Little Cheyne Court	41%	Jan – Dec	59.2	53.5	-9%	59.2
Maerdy	100%	Jan – Dec	64.4	55.4	-14%	64.4
Middlemoor	49%	Jan – Dec	69.7	66.8	-4%	69.7
North Hoyle	100%	Jan – Dec	180.4	181.2	0%	180.4
North Rhins	51.6%	Jan – Dec	37.8	38.6(1)	2%	38.6
Red House	80%	Jan – Dec	22.3	20.1	-10%	22.3
Red Tile	80%	Jan – Dec	42.5	38.5	-9%	42.5
Rhyl Flats	24.95%	Jan – Dec	70.3	69.7	-1%	70.3
Screggagh	100%	Jan – Dec	50.2	40.9	-19%	47.7
Sixpenny Wood	51.6%	Jan – Dec	28.8	24.4	-15%	29.0
Slieve Divena	100%	Jan – Dec	61.7	47.3	-23%	58.6
Stronelairg	35.5%	Apr – Dec	214.7	177.9(1)	-17%	306.7
Stroupster	100%	Jan – Dec	96.8	81.1	-16%	96.8
Tappaghan	100%	Jan – Dec	77.1	59.9	-22%	73.2
Tom nan Clach	75%	Jul – Dec	49.0	33.5	-32%	122.4
Yelvertoft	51.6%	Jan – Dec	21.3	16.8	-21%	21.9
Total			**2,693.7**	**2,384.8(2)**	**-11%**	**2,897.3**

(1) Includes curtailed generation.

(2) Numbers do not cast owing to rounding of (0.1)GWh.

Investment Manager's Report continued

Portfolio Performance continued

Notable issues affecting portfolio availability were:

- Clyde South was off-line from 18 November 2019 to 30 January 2020 owing to a fault in Scottish Power's export cable;
- Stroupster was off-line from 1 December 2019 to 15 January 2020 owing to a fault with the circuit breaker at SSE's Thurso substation; and
- availability was below 90 per cent during H2 2019 at Yelvertoft and at Earl's Hall Farm owing to low responsiveness from Senvion as a result of Senvion's self-administration as further described below.

Continuing from 2018, the Investment Manager progressed various initiatives under its ongoing portfolio optimisation programme in the 3 main areas of generation, revenue and opex. Upgrades and enhancements worth £15 million were implemented during the year. Significant further opportunities have been identified and are planned for 2020 and 2021.

On 9 April 2019, Senvion announced that it was entering self-administration. There are 10 wind farms with Senvion turbines in the portfolio (11 per cent by value). 5 are held in joint venture with EDF, where EDF performs the turbine operations and maintenance: Bicker Fen, Deeping St Nicholas, Glass Moor, Red House and Red Tile. For the other 5, Senvion performs the turbine operations and maintenance: Bishopthorpe, Cotton Farm, Earl's Hall Farm, Sixpenny Wood and Yelvertoft. On 20 December 2019, Siemens was granted EU approval to acquire the Senvion servicing business, and the transaction completed on 9 January 2020. The Investment Manager is currently in discussion with Siemens and with other service providers to determine how best to meet the long term service requirements of each relevant wind farm.

Health and Safety

Health and safety is of key importance to both the Company and the Investment Manager.

A representative of the Investment Manager sits on the health and safety forum of Renewable UK, the UK's leading wind energy trade association. The Investment Manager also has its own health and safety forum where best practice is discussed and key learnings from incidents from across the industry are shared.

There were no major incidents in the year to 31 December 2019.

A health and safety audit was conducted across 6 sites by an independent consultant. No material areas of concern were identified.

Acquisitions

During the year, the Investment Manager priced 40 wind farms, totalling 3,020MW. Of the 40 wind farms priced, 5 investments were made by the Group (Stronelairg, Dunmaglass, Glen Kyllachy, Windy Rig and Twentyshilling[1]), 8 were acquired by other buyers, 12 are no longer being pursued by the Group, and 15 are subject to continuing discussions. In total, there were 38 secondary market transactions in the UK wind sector in 2019.

The following table lists investments in the year to 31 December 2019 (including acquisition costs, excluding acquired cash):

	£m
Stronelairg	324.3
Dunmaglass	128.3
Tom nan Clach	145.6
Douglas West	14.0
Total	**612.2**

The Stronelairg and Dunmaglass acquisitions completed on 28 March 2019. The Group owns 35.5 per cent of the 227.7MW and 94MW wind farms in partnership with SSE (50.1 per cent) and a major UK pension fund (14.4 per cent), whose investment is also managed by the Investment Manager. The wind farms receive 0.9 ROCs per MWh.

(1) Tom nan Clach and Douglas West wind farms were priced in 2018 with completion occuring in 2019.

Investment Manager's Report continued

Acquisitions continued

On 18 June 2019, the Group invested a total of £145 million for a 75 per cent interest in the 39.1MW Tom nan Clach wind farm (£126 million) plus an additional loan investment (£19 million). Tom nan Clach sells its output under the CFD regime, which insulates the wind farm from power price risk for the first 15 years.

On 15 March 2019, the Group completed its acquisition of the 45MW Douglas West wind farm project. Operations are targeted to commence in July 2021. Acquisition and construction costs will total approximately £45 million of which £14 million has been invested in the project to date.

In addition, on 10 October 2019, the Group announced that it has agreed to acquire the 48.5MW Glen Kyllachy wind farm from Innogy for a headline consideration of £57.5 million, to be paid once the wind farm is fully operational (target October 2021).

Finally, on 20 December 2019, the Group announced that it has agreed to acquire the 43.2MW Windy Rig and 37.8MW Twentyshilling wind farms from Statkraft for a combined consideration of £104 million, to be paid once the farms are fully operational (target Q2 2021 and Q3 2021 respectively).

Douglas West, Glen Kyllachy, Windy Rig and Twentyshilling are all subsidy free, with the variable revenue complementing the fixed revenue from the Tom nan Clach CFD investment.

Post year end, on 20 February 2020, the Group announced that it had entered into an agreement to acquire the 18.8MW ROC accredited Slieve Divena II wind farm from SSE for a headline consideration of £51 million. The transaction is expected to complete on 30 March 2020.

Equity Issuance

In February 2019, the Company issued 103 million new shares at a price of 127 pence per share, raising gross proceeds of £131 million in an oversubscribed share placing.

In June 2019, the Company issued an initial tranche of 282 million new shares at a price of 133 pence per share, raising gross proceeds of £375 million under its 500 million share issuance programme announced in May 2019.

Gearing

As at 31 December 2019, the Group had £600 million of debt outstanding, equating to 25 per cent of GAV (limit 40 per cent). Average gearing in the year was 26 per cent of GAV (guidance 20-30 per cent).

Debt outstanding as at 31 December 2019 comprised term debt of £600 million (together with associated interest rate swaps) with zero drawn under the Group's £300 million revolving credit facility, following a refinancing in November 2019.

The Group is expected to draw down £27 million under its revolving credit facility, to be applied towards the £51 million acquisition of Slieve Divena II wind farm, expected to complete on 30 March 2020.

All borrowing is at Company level (no debt at wind farm level).

More detail in relation to the Group's debt facilities can be found in note 13 to the Financial Statements.

Financial Performance

Power prices during the year were below budget. The average N2EX Day Ahead auction price was £42.98/MWh.

Despite below budget generation and below budget power prices, dividend cover remained robust: net cash generated by the Group and wind farm SPVs was £127.7 million, providing cover of 1.4x dividends paid during the year.

Cash balances (Group and wind farm SPVs) increased by £35.5 million to £86.3 million over the year.

The Group is expected to contribute £24 million from its cash balances towards the £51 million acquisition of the Slieve Divena II wind farm, expected to complete on 30 March 2020.

Investment Manager's Report continued

Financial Performance continued

Group and wind farm SPV cashflows	For the year ended 31 December 2019 £'000
Net cash generation	127,662
Dividends paid	(93,206)
Acquisitions[1]	(609,670)
Acquisition costs[2]	(3,057)
Equity issuance	505,742
Equity issuance costs	(7,374)
Net drawdown under debt facilities	120,000
Upfront finance costs	(4,621)
Movement in cash (Group and wind farm SPVs)	**35,476**
Opening cash balance (Group and wind farm SPVs)	50,782
Closing cash balance (Group and wind farm SPVs)	**86,258**
Net cash generation	127,662
Dividends	93,206
Dividend cover	1.4x

(1) Excludes £10,332k acquired cash. Net of £901k shareholder loan interest and repayment from Douglas West.

(2) Includes £263k in relation to Church Hill and Crighshane (acquired in 2018) and £217k in relation to Glen Kyllachy.

The following 2 tables provide further detail in relation to net cash generation of £127.7 million:

Net Cash Generation – Breakdown	For the year ended 31 December 2019 £'000
Revenue	230,366
Operating expenses	(60,840)
Tax	(10,319)
Other	(371)
Wind farm cashflow	**158,836**
Management fee	(15,159)
Operating expenses	(1,489)
Ongoing finance costs	(17,944)
Other	3,585
Group cashflow	**(31,007)**
VAT (Group and wind farm SPVs)	(167)
Net cash generation	**127,662**

Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities	For the year ended 31 December 2019 £'000
Net cash flows from operating activities[1]	135,421
Movement in cash balances of wind farm SPVs[2]	3,854
Repayment of shareholder loan investment[1]	7,232
Shareholder loan interest and repayment from Douglas West[3]	(901)
Finance costs[1]	(22,565)
Upfront finance costs (cash)[4]	4,621
Net cash generation	**127,662**

(1) Consolidated Statement of Cash Flows.

(2) Note 9 to the Financial Statements (excludes acquired cash).

(3) Note 19 to the Financial Statements.

(4) £4,513k facility arrangement fees plus £115k professional fees (note 13 to the Financial Statements) plus £18k other finance costs payable brought forward less £25k other finance costs payable carried forward (note 12 to the Financial Statements).

Investment Manager's Report continued

Investment Performance

	£'m
NAV at 31 December 2018	**1,392.8**
Investment	612.2
Movement in portfolio valuation	(74.4)
Movement in cash (Group and wind farm SPVs)	35.5
Movement in other relevant assets/liabilities	(3.3)
Movement in Aggregate Group Debt	(120.0)
NAV at 31 December 2019	**1,842.8**

The decrease in the portfolio valuation of £74.4 million (5 pence per share) is broadly attributable to 2 pence depreciation, plus 2 pence from a change in the modelled corporation tax rate (from 17 per cent to 19 per cent), plus net 5 pence from adverse movements in the long term power price forecast and other assumption changes, offset by 4 pence from a 0.4 per cent reduction in the blended portfolio discount rate.

Total dividends of £93.2 million were paid in 2019. Total dividends of £100.4 million have been paid or declared with respect to 2019 (6.94 pence per share). The target dividend with respect to 2020 is 7.1 pence per share (increased in line with December 2019 RPI).

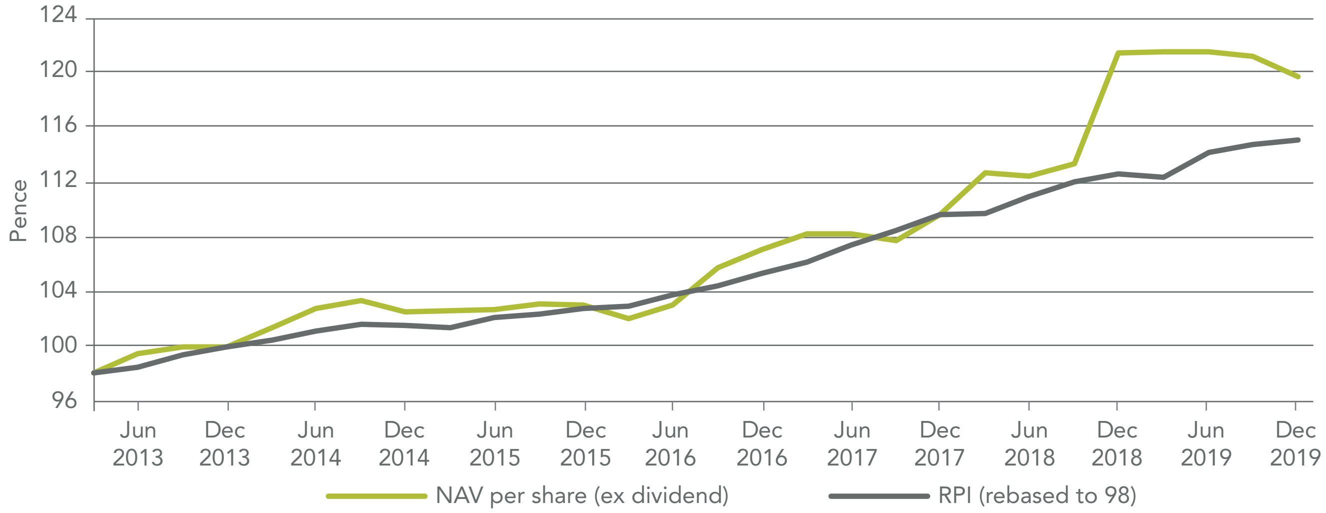
Investment Manager's Report continued

Investment Performance continued

	pence per share	per cent
NAV at 31 December 2018	123.1	
Less February 2019 dividend	(1.7)	
NAV at 31 December 2018 (ex dividend)	121.4	
NAV at 31 December 2019	121.4	
Less February 2020 dividend	(1.7)	
NAV at 31 December 2019 (ex dividend)	119.7	
Movement in NAV (ex dividend)	(1.7)	(1.4)
Dividends with respect to the year	6.9	5.7
Total return on NAV	**5.2**	**4.3**

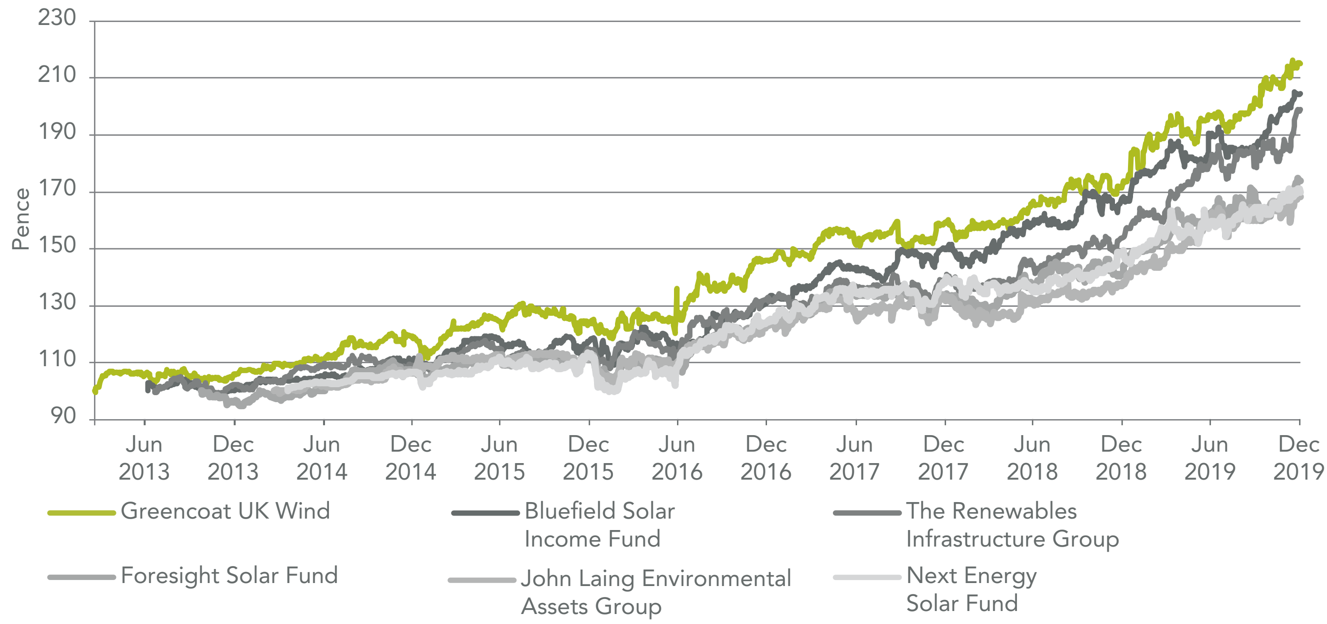
The chart below shows NAV per share versus RPI:

NAV vs RPI



The share price as at 31 December 2019 was 150.4 pence, representing a 23.9 per cent premium to NAV. The chart below shows TSR versus market peers:

Total Shareholder Return vs Market Peers *(Bloomberg)*



Investment Manager's Report continued

Reconciliation of Statutory Net Assets to Reported NAV

	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Operating portfolio	2,347,694	1,823,852
Construction portfolio	13,971	—
Cash (wind farm SPVs)	61,541	47,355
Fair value of investments	**2,423,206**	**1,871,207**
Cash (Group)	24,717	3,427
Other relevant liabilities	(5,157)	(1,824)
GAV	**2,442,766**	**1,872,810**
Aggregate Group Debt	(600,000)	(480,000)
NAV	**1,842,766**	**1,392,810**
Reconciling items	—	—
Statutory net assets	**1,842,766**	**1,392,810**
Shares in issue	1,517,537,310	1,131,449,780
NAV per share (pence)	**121.4**	**123.1**

Bishopthorpe

Investment Manager's Report continued

NAV Sensitivities

NAV is equal to GAV less Aggregate Group Debt.

GAV is the sum of:

- DCF valuations of the Group's investments;
- cash (at Group and wind farm SPV level); and
- other relevant assets and liabilities of the Group.

The DCF valuation of the Group's investments represents the largest component of GAV and the key sensitivities are considered to be the discount rate used in the DCF valuation and assumptions in relation to inflation, energy yield, power price and asset life.

The base case discount rate is a blend of a lower discount rate for fixed cash flows and a higher discount rate for merchant cash flows. The underlying discount rates remained unchanged from 31 December 2018 to 30 June 2019, while the blended portfolio discount rate reduced from 8.1 per cent as at 31 December 2018 to 7.9 per cent as at 30 June 2019 as a result of the acquisition of newer assets in H1 2019 and a higher proportion of fixed cash flows. The underlying discount rates have subsequently been reduced (to reflect market valuations) such that the blended portfolio discount rate as at 31 December 2019 was 7.5 per cent.

As there is no debt at wind farm level, the DCF valuation is produced by discounting the individual wind farm cashflows on an unlevered basis. The equivalent levered discount rate would be approximately 2 per cent higher than the unlevered discount rate.

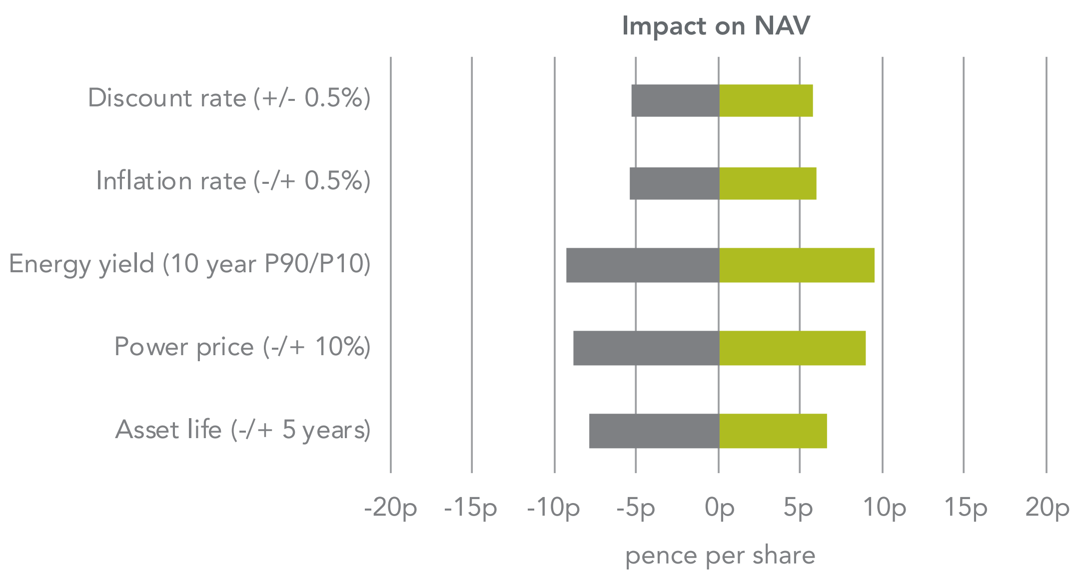
The base case long term inflation assumption is 3.0 per cent (RPI) and 2.0 per cent (CPI).

Base case energy yield assumptions are P50 (50 per cent probability of exceedance) forecasts based on long term wind data and operational history. The P90 (90 per cent probability of exceedance over a 10 year period) and P10 (10 per cent probability of exceedance over a 10 year period) sensitivities reflect the future variability of wind and the uncertainty associated with the long term data source being representative of the long term mean.

Long term power price forecasts are provided by a leading market consultant, updated quarterly, and may be adjusted by the Investment Manager where more conservative assumptions are considered appropriate. Base case real power prices increase from £45/MWh (2020) to £48/MWh (2050). The sensitivity below assumes a 10 per cent increase or decrease in power prices relative to the base case for every year of the asset life.

The base case asset life is 30 years.

The following chart shows the impact of the key sensitivities on NAV:



Investment Manager's Report continued

Outlook

There are currently 23GW of operating UK wind farms (14GW onshore plus 9GW offshore). In monetary terms, the secondary market for operating UK wind farms is approximately £60 billion. The Group currently has a market share of approximately 4 per cent. As at 31 December 2019, the average age of the portfolio was 5.3 years (versus 4.9 years at listing in March 2013).

In June 2019, the UK parliament adopted a net zero emissions target for 2050, going further than previous legislation, which mandated 80 per cent emission reductions by 2050. Decarbonisation of the electricity sector, primarily through renewable generation, will be critical to achieving this. The target is for 30GW of offshore wind capacity by 2030, supported by the CFD regime. We are also now seeing the development and construction of onshore wind farms on a subsidy free basis. We do not expect any material change to the Company's business as a result of the UK exiting the European Union.

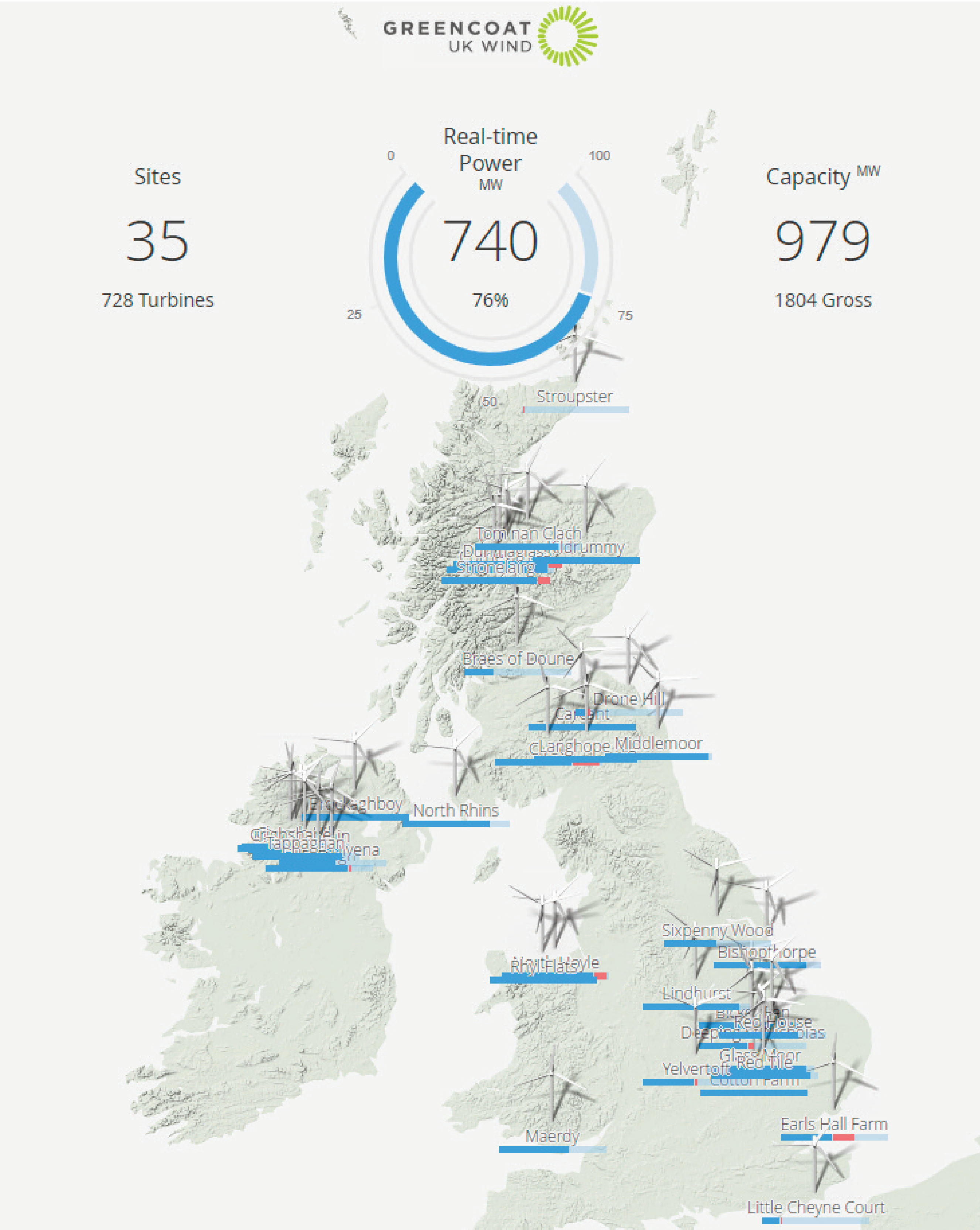
The key value driver affecting operating UK wind farms is the wholesale power price. In general, independent forecasters expect the UK wholesale power price to rise in real terms, driven by higher gas and carbon prices. The long term power price forecast is updated each quarter and reflected in the reported NAV.

While it is anticipated that the majority of the Group's future investments will continue to be ROC wind farms, CFD and subsidy free wind farms provide diversified further pipeline opportunities. At all times, the Group will maintain a balanced portfolio, in line with the Company's investment objective.

In general, the outlook for the Group is very encouraging, with proven operational and financial performance from the existing portfolio combined with a healthy pipeline of attractive further investment opportunities.

Clyde

Investment Manager's Report continued



Portfolio generation snapshot; 29 January 2020, 6pm

Board of Directors

As at the date of this report, the Board comprises 6 individuals from relevant and complementary backgrounds.

During the year, the Board appointed Lucinda Riches C.B.E. and Caoimhe Giblin as Directors of the Company with effect from 1 May 2019 and 1 September 2019 respectively and Dan Badger resigned as Director of the Company with effect from 31 July 2019. Tim Ingram has confirmed his intention to retire with effect from the conclusion of the 2020 AGM and Shonaid Jemmett-Page will be appointed as Chairman of the Board following the 2020 AGM.

The Directors are of the opinion that the Board as a whole comprises an appropriate balance of skills, experience and diversity.

Tim Ingram, Chairman (appointed 4 December 2012)

Tim Ingram (Chairman), aged 72, is an experienced chairman and chief executive, with a long executive career in financial services and a non-executive portfolio spanning a variety of sectors, including business management software and services, real estate, manufacturing, investment trusts, insurance and commercial and investment banking.

Tim's early executive career was in international banking with Grindlays Bank and ANZ Banking Group. He was an executive Director of Abbey National plc (now part of Santander) from 1996 to 2002. After leaving Abbey National, he became Chief Executive of Caledonia Investments plc from 2002 until his retirement in July 2010.

He was Chairman of Collins Stewart Hawkpoint plc from 2010 until it was acquired by Canaccord Financial Inc. in March 2012. From October 2012 until July 2017 he was Chairman of the Wealth Management Association and from April 2011 to September 2017 he was Chairman of Fulham Palace Trust. He was Chairman of RSM Tenon plc from May 2012 to August 2013. He was a non-executive Director, and later Senior Independent Director, of Sage plc from 2002 to 2011, a non-executive Director, and later Senior Independent Director, of Savills plc from 2002 to 2012, a non-executive Director of Alliance Trust plc from 2010 to 2012, a non-executive Director of Alok Industries Ltd, an Indian quoted company, from 2005 to 2015 and a non-executive Director of Fastjet plc from September 2015 to March 2016. He has also been a non-executive Director of the board of the European subsidiaries of QBE Insurance Group Ltd since March 2014 and is now its Chairman. He has been a trustee of the London Community Foundation since September 2017.

Shonaid Jemmett-Page, Chairman of the Audit Committee (appointed 5 December 2012)

Shonaid Jemmett-Page, FCA, aged 59, is an experienced non-executive director in the energy and financial sectors. Shonaid spent the first 20 years of her career at KPMG in London and Tokyo, rising to the position of Partner, Financial Services. In 2001, she moved to Unilever, where she was Senior Vice President, Finance and Information for Asia, based in Singapore, before returning to the UK as Finance Director for Unilever's global non-food business. In 2009, Shonaid joined CDC Group as Chief Operating Officer, a position she held until 2012.

Since then, Shonaid has focused on non-executive appointments and is currently a non-executive Director of Caledonia Investments plc and a member of the governance, nomination and remuneration committees, non executive Director of MS Amlin Insurance SE, a Belgian insurance company, and a member of the audit and risk committees, Senior Independent Director and Chairman of the audit and remuneration committees and a member of the nomination and risk committees at ClearBank Ltd. Until October 2017, she was non-executive Chairman of Origo Partners plc, until April 2018 was non-executive Director of GKN plc where she served as Chairman of the audit committee and was a member of the remuneration and nominations committees and until November 2019 was non-executive Chairman of MS Amlin plc. She is also the examiner of the UK branch of an Indian children's cancer charity.

Board of Directors continued

William Rickett C.B., Senior Independent Director (appointed 4 December 2012)

William Rickett C.B., aged 67, is a former Director General of the Department of Energy & Climate Change within the UK Government (2006-2009) with considerable experience as non-executive director of private sector companies. William is Chairman of Cambridge Economic Policy Associates Ltd, an economic, financial and public policy consultancy with a strong energy practice and was Chairman of the governing board of the International Energy Agency from 2007 to 2009. He is currently a non-executive Director of Impax Environmental Markets plc, a listed investment trust specialising in sustainable food and agriculture and the alternative energy, waste and water sectors. William was previously a non-executive Director of Eggborough Power Ltd, an electricity generating company, Helius Energy plc, an AIM listed developer of new dedicated biomass power stations, the National Renewable Energy Centre Limited, which helps to develop renewable energy technologies and Smart DCC Ltd, the company procuring the shared infrastructure needed for the roll out of smart gas and electricity meters across the country.

William's Whitehall career included 15 years of board-level experience in 5 government departments focusing on energy and transport. In the late 1980s he led the privatisation of the electricity industry creating the first competitive electricity market in the world. Later as Director General of Energy he drove the transformation of the UK energy policy to re-establish a nuclear power programme as well as developing strategies for the deployment of renewable energy.

Martin McAdam (appointed 1 March 2015)

Martin McAdam, aged 58, is an accomplished executive with significant experience in the energy and renewables sector. He was formerly Chief Executive Officer of Aquamarine Power. Prior to that, Martin was President and Chief Executive Officer of the US subsidiary of Airtricity, a role in which he constructed over 400MW of wind farm capacity.

Martin spent his early career at ESB, the Irish utility, involved in a number of activities including power station construction and generation planning. After a number of years in information services, he returned to the power industry and joined Airtricity, a significant developer and constructor of wind farms throughout the UK and Ireland, managing construction of new wind farms. Martin's role expanded into operations and ultimately to take responsibility for the growing US business. He led the integration of the Airtricity generation business unit into the SSE Renewables Division after its sale.

Martin is a Chartered Engineer and a Fellow of Engineers Ireland and a Fellow of the Royal Society for the Encouragement of Arts, Manufactures and Commerce.

Lucinda Riches C.B.E., (appointed 1 May 2019)

Lucinda Riches C.B.E., aged 58, brings significant capital markets experience, having advised public companies on strategy, fundraising and investor relations for many years. She also brings extensive experience as a public company non-executive Director across a variety of businesses, including two FTSE 100 companies.

Lucinda worked at UBS and its predecessor firms for 21 years until 2007 where she was a managing Director, Global Head of Equity Capital Markets and a member of the board of the investment bank. She is Senior Independent Director of ICG Enterprise Trust plc and The British Standards Institution. She is a non-executive Director of Ashtead Group plc, where she chairs the remuneration committee, and CRH plc. Until July 2018 she was a non-executive Director of UK Financial Investments Limited and until January 2019 she was a non-executive Director of The Diverse Income Trust plc. She was awarded a CBE in 2017 for her services to financial services, British industry and to charity.

Board of Directors continued

Caoimhe Giblin (appointed 1 September 2019)

Caoimhe Giblin, aged 43, has extensive experience in the electricity industry sector and is currently Head of Client Services at ElectroRoute, an energy trading company which is part of the Mitsubishi Corporation group of companies.

Prior to that, Caoimhe was Director of Finance for SSE Renewables where she had responsibility for the financial activities of SSE's significant on and offshore wind development and construction portfolio. Prior to this, Caoimhe held various roles in the Corporate Finance department at Airtricity where she gained significant experience of corporate acquisitions and disposals, equity fundraising, project finance, debt financing and managed the company's corporate valuation process. Caoimhe was appointed Head of Corporate Finance of SSE Renewables in 2008 following the acquisition of Airtricity by SSE plc.

Caoimhe qualified as a Chartered Accountant with KPMG and spent the early part of her career focusing on providing corporate finance due diligence, internal audit and risk management services in both Dublin and New Zealand. Caoimhe is a Fellow of Chartered Accountants of Ireland and has a BA in Accounting & Finance and an MBS in Accounting from Dublin City University. In 2018, Caoimhe was elected to sit on the Irish Wind Energy Association Council.

Dan Badger (appointed 1 July 2013 and resigned 31 July 2019)

Dan Badger, aged 73, has had a long career in the energy sector and has significant experience in wind farm transactions. He is currently a consultant to Hideal Partners, a renewables advisory firm, and was previously a member of the UK/European renewables M&A team at Babcock & Brown.

Dan worked for 10 years at the U.S. Department of Energy and the International Energy Agency in economic and policy development roles before moving onto project development within the gas-fired generation and then renewables sectors. Whilst at Babcock & Brown, Dan was involved with and led a number of significant renewables acquisitions across Europe of both development pipeline and operational capacity, a number of these through innovative framework agreements. Dan also led the 200MW development of the Robin Rigg offshore wind farm, in the Solway Firth, now owned by E.ON.

Dan resigned from the Board with effect from 31 July 2019.

Board of Directors continued

Other UK Listed Public Company Directorships

In addition to their directorships of the Company, the below Directors currently hold the following UK listed public company directorships:

Shonaid Jemmett-Page

Caledonia Investments plc

William Rickett C.B.

Impax Environmental Markets plc

Lucinda Riches C.B.E.

Ashtead Group plc
CRH plc
ICG Enterprise Trust plc

The Directors have all offered themselves for re-election and resolutions concerning this will be proposed at the 2020 AGM, with the exception of Tim Ingram and Dan Badger.

Conflicts of Interest

The Directors have declared any conflicts or potential conflicts of interest to the Board of Directors which has the authority to approve such situations. The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed quarterly by the Board and when changes are notified. The Directors advise the Company Secretary and the Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions which relate to any of their conflicts.

In accordance with Provision 9 of the AIC Code, the appointment of any Director has included consideration of the time they have available to the role. Any additional external appointments will be submitted by Directors to the Board for approval before the appointment is accepted.

Sixpenny Wood

Report of the Directors

The Directors present their Annual Report, together with the consolidated financial statements of Greencoat UK Wind PLC for the year to 31 December 2019. The Corporate Governance Report on pages 36 to 41 forms part of this report.

Details of the Directors who held office during the year and as at the date of this report are given on pages 25 to 28.

Capital Structure

The Company has one class of ordinary shares which carry no rights to fixed income. Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the shareholders are entitled to all of the surplus assets of the Company.

Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each ordinary share held.

Authority to Purchase Own Shares

The current authority of the Company to make market purchases of up to 14.99 per cent of its issued share capital expires at the conclusion of the 2020 AGM. Special resolution 14 will be proposed at the forthcoming AGM seeking renewal of such authority until the next AGM (or 30 June 2021, whichever is earlier). The price paid for the shares will not be less than the nominal value or more than the maximum amount permitted to be paid in accordance with the rules of the UK Listing Authority in force at the date of purchase. This power will be exercised only if, in the opinion of the Directors, a repurchase would be in the best interests of shareholders as a whole. Any shares repurchased under this authority will either be cancelled or held in treasury at the discretion of the Board for future resale in appropriate market conditions.

The Directors believe that the renewal of the Company's authority to purchase shares, as detailed above, is in the best interests of shareholders as a whole and therefore recommend shareholders to vote in favour of special resolution 14.

The Directors also recommend shareholders to vote in favour of resolutions 12 and 13, which renew their authority to allot equity securities for the purpose of satisfying the Company's obligations to pay the equity element of the Investment Manager's fee, and also their authority to allot equity securities for cash either pursuant to the authority conferred by resolution 12 or by way of a sale of treasury shares.

Major Interests in Shares

Significant shareholdings as at 13 February 2020 are detailed below.

Shareholder	Ordinary shares held % 13 February 2020
Newton Investment Management	8.78
Legal & General Investment Management	5.08
Rathbone Investment Management	4.96
Investec Wealth & Investment	4.86
FIL Investment International	4.29
Aviva Investors	3.45
Insight Investment Management	3.30
Tilney Investment Management	3.10

Significant shareholdings as at 31 December 2019 are detailed below.

Shareholder	Ordinary shares held % 31 December 2019
Newton Investment Management	8.73
Investec Wealth & Investment	5.11
Rathbone Investment Management	5.09
Legal & General Investment Management	5.09
FIL Investment International	4.28
Aviva Investors	3.45
Insight Investment Management	3.28
Tilney Investment Management	3.05

Companies Act 2006 Disclosures

In accordance with Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 the Directors disclose the following information:

- the Company's capital structure is detailed in note 15 to the financial statements and all shareholders have the same voting rights in respect of the share capital of the Company. There are no restrictions on voting rights that the Company is aware of, nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;

Report of the Directors continued

Companies Act 2006 Disclosures continued

- the Company does not have an employees' share scheme;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid;
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid; and
- the Directors' responsibilities pursuant to Section 172 of the Companies Act 2006, as detailed in the Strategic Report.

Investment Trust Status

The Company has been approved as an investment trust under sections 1158 and 1159 of the Corporation Taxes Act 2010. As an investment trust, the Company is required to meet relevant eligibility conditions and ongoing requirements. In particular, the Company must not retain more than 15 per cent of its eligible investment income. The Company has conducted and monitored its affairs so as to enable it to comply with these requirements.

Diversity and Business Review

A business review is detailed in the Investment Manager's Report on pages 11 to 24 and the Group's policy on diversity is detailed in the Corporate Governance Report on page 37.

Directors' Indemnity

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court.

Except for such indemnity provisions in the Company's Articles of Association and in the Directors' letters of appointment, there are no qualifying third party indemnity provisions in force.

Global Greenhouse Gas Emissions

As the Group has outsourced operations to third parties, there are no significant greenhouse gas emissions to report from the operations of the Group.

In relation to the Group's investee companies, the level of greenhouse gas emissions arising from the low volume of electricity imports and from operation and maintenance activity is not considered material for disclosure purposes. Further, as the assets are renewable energy generators, they reduce carbon dioxide emissions on a net basis (at a rate of approximately 0.4t CO_2 per MWh).

Risks and Risk Management

The Group is exposed to financial risks such as price risk, interest rate risk, credit risk and liquidity risk and the management and monitoring of these risks are detailed in note 18 to the financial statements.

Independent Auditor

The Directors will propose the reappointment of BDO LLP as the Company's Auditor and resolutions concerning this and the remuneration of the Company's Auditor will be proposed at the 2020 AGM.

So far as each of the Directors at the time that this report was approved are aware:

- there is no relevant audit information of which the Auditor is unaware; and
- they have taken all the steps they ought to have taken to make themselves aware of any audit information and to establish that the Auditor is aware of that information.

Annual Accounts

The Board is of the opinion that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the position, performance, strategy and business model of the Company.

The Board recommends that the Annual Report, the Report of the Directors and the Independent Auditor's Report for the year ended 31 December 2019 are received and adopted by the shareholders and a resolution concerning this will be proposed at the 2020 AGM.

Report of the Directors continued

Tom nan Clach

Dividend

The Board recommended an interim dividend of £26.3 million, equivalent to 1.735 pence per share with respect to the 3 month period ended 31 December 2019, bringing total dividends with respect to the year to £100,414,786, equivalent to 6.94 pence per share as disclosed in note 8 to the financial statements.

Subsequent Events

Significant subsequent events have been disclosed in note 21 to the financial statements.

Strategic Report

A review of the business and future outlook, going concern statement and the principal risks and uncertainties of the Group have not been included in this report as they are disclosed in the Strategic Report on pages 5 to 10.

On behalf of the Board

Tim Ingram
Chairman

26 February 2020

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. A resolution to approve the Directors' Remuneration Report will be proposed at the 2020 AGM. At the AGM on 26 April 2019, shareholders voted 99.61 per cent in favour to approve the Directors' Remuneration Report for the year ended 31 December 2018.

The Company's Auditor is required to give their opinion on the information provided on Directors' remuneration on page 33 of this report and this is explained further in its report to shareholders on pages 46 to 51. The remainder of this report is outside the scope of the external audit.

Annual Statement from the Chairman of the Board

The Board, which is profiled on pages 25 to 28, consists solely of non-executive Directors and is considered to be entirely independent. The Board considers at least annually the level of the Board's fees, in accordance with the AIC Code. This review resulted in an increase in the basic fee for non-executive Directors with effect from 1 January 2019 and a discretionary payment of up to £10,000, where significant additional work is incurred by Directors in the raising of further equity, as disclosed in the Annual Report on Remuneration below.

Remuneration Policy

As at the date of this report, the Board comprised 6 Directors, all of whom are non-executive. The Board does not have a separate Remuneration Committee as, being wholly comprised of non-executive Directors, the whole Board considers these matters.

Each Director receives a fixed fee per annum based on their roles and responsibility within the Company and the time commitment required. It is not considered appropriate that Directors' remuneration should be performance related and none of the Directors are eligible for pension benefits, share options, long term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company.

At the AGM on 26 April 2019, shareholders voted 98.94 per cent in favour to amend the Company's Articles of Association to increase the maximum annual limit of aggregate fees payable to the Directors from £300,000 per annum, set at the time of incorporation, to £400,000 per annum.

The Company's Articles of Association empower the Board to award a discretionary bonus where any Director has been engaged in exceptional work on a time spent basis to compensate for the additional time spent over their expected time commitment.

The Articles of Association provide that Directors retire and offer themselves for re-election at the first AGM after their appointment and at least every 3 years thereafter. However, in accordance with AIC Code, the Directors are required to be re-elected annually. All of the Directors have been provided with letters of appointment for an initial term of 3 years and for each 3 year term thereafter, which are subject to annual re-election in accordance with the AIC Code. The following table outlines the date and expiry of each of the Directors' current letters of appointment:

	Date of current appointment letter	Date of expiry of current appointment letter
Tim Ingram	February 2019	April 2020[(1)]
Shonaid Jemmett-Page	February 2019	February 2022
William Rickett C.B.	February 2019	February 2022
Martin McAdam	March 2018	March 2021
Lucinda Riches C.B.E.	May 2019	May 2022
Caoimhe Giblin	September 2019	September 2022

(1) Tim Ingram has confirmed his intention to retire with effect from the conclusion of the April 2020 AGM, therefore his term of appointment will conclude prior to the expiry of his current 3 year appointment letter.

A Director's appointment may at any time be terminated by and at the discretion of either party upon 6 months' written notice. A Director's appointment will automatically end without any right to compensation whatsoever if they are not re-elected by the shareholders. A Director's appointment may also be terminated with immediate effect and without compensation in certain other circumstances. Being non-executive Directors, none of the Directors have a service contract with the Company.

The terms and conditions of appointment of non-executive Directors are available for inspection from the Company's registered office.

Directors' Remuneration Report continued

Annual Report on Remuneration

The search firm Heidrick & Struggles, upon the recommendation of the Nomination Committee, was engaged to assist the Board in relation to succession planning to secure the relevant skills and experience while also seeking to increase diversity on the Board. Heidrick & Struggles were paid £25,000 by the Company for services provided during the year. As part of this work, views were sought from this firm on appropriate levels of fees for non-executive Directors of the Company. In light of this review, with effect from 1 January 2019, the basic fee of non-executive Directors was increased by £3,000 per annum from £37,000 to £40,000 per annum. No change was implemented to the Chairman's basic fee of £70,000 per annum, nor to the supplements paid to the Senior Independent Director and to the Audit Committee Chair (of £5,000 and £10,000 per annum respectively).

In addition, and in line with the practice of some other companies in the sector, it was agreed that where significant additional work and responsibility is incurred by Directors in the raising of further equity, appropriate additional fees of no more than £10,000 per annum per Director will be paid.

The table below (audited information) shows the total remuneration earned by each individual Director during the current year:

Paid in the year to 31 December 2019	Fixed remuneration	Discretionary remuneration[4]	Total remuneration
Tim Ingram (Chairman)	£70,000	£10,000	£80,000
Shonaid Jemmett-Page (Audit Committee Chairman)	£50,000	£10,000	£60,000
William Rickett C.B. (Senior Independent Director)	£45,000	£10,000	£55,000
Martin McAdam	£40,000	£10,000	£50,000
Lucinda Riches C.B.E.[1]	£26,667	£5,000	£31,667
Caoimhe Giblin[2]	£13,333	—	£13,333
Dan Badger[3]	£23,333	£10,000	£33,333
Total	**£268,333**	**£55,000**	**£323,333**

(1) Appointed with effect from 1 May 2019.

(2) Appointed with effect from 1 September 2019.

(3) Resigned with effect from 31 July 2019.

(4) The Directors received an additional discretionary payment from the Company in relation to work incurred in connection with the 2019 share placings.

The table below (audited information) shows the total remuneration earned by each individual Director during the prior year:

Paid in the year to 31 December 2018	Fixed remuneration	Discretionary remuneration	Total remuneration
Tim Ingram (Chairman)	£70,000	—	£70,000
Shonaid Jemmett-Page (Audit Committee Chairman)	£47,000	—	£47,000
William Rickett C.B. (Senior Independent Director)	£42,000	—	£42,000
Martin McAdam	£37,000	—	£37,000
Dan Badger	£37,000	—	£37,000
Total	**£233,000**	**—**	**£233,000**

Directors' Interests (audited information)

Directors who held office during the year and had interests in the shares of the Company as at 31 December 2019 are given in the table below. There were no changes to the interests of each Director as at the date of this report.

	Ordinary shares of 1p each held at 31 December 2019	Ordinary shares of 1p each held at 31 December 2018
Tim Ingram[1]	439,680	409,636
Shonaid Jemmett-Page[2]	85,916	55,842
William Rickett C.B.[3]	37,500	37,500
Martin McAdam	86,189	78,670
Lucinda Riches C.B.E.	20,000	—
Caoimhe Giblin	—	—
Dan Badger[4]	—	12,010

(1) includes 97,128 ordinary shares legally and beneficially owned by his spouse and 177,827 ordinary shares which are held in trust arrangements with Lloyd's of London in respect of security for certain underwriting activities.

(2) includes 44,418 ordinary shares legally and beneficially owned by her spouse.

(3) includes 30,000 ordinary shares legally and beneficially owned by members of his family.

(4) Resigned with effect from 31 July 2019.

Relative Importance of Spend on Pay

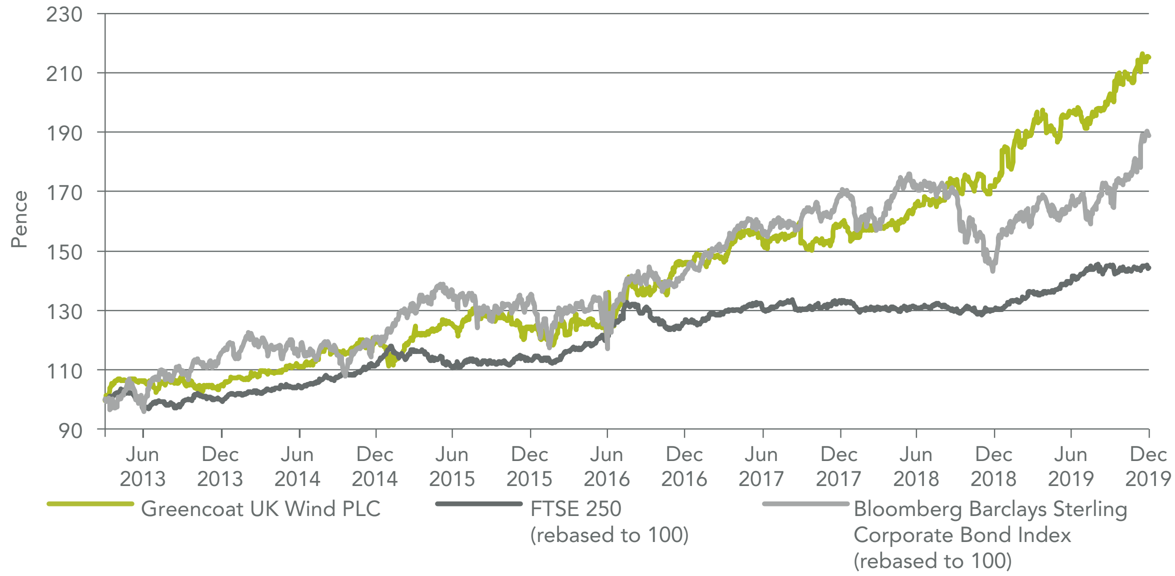
The remuneration of the Directors with respect to the year totalled £323,333 (2018: £233,000) in comparison to dividends paid or declared to shareholders with respect to the year of £100,414,786 (2018: £74,757,381).

Directors' Remuneration Report continued

Company Performance

Due to the positioning of the Company in the market as a sector-focused infrastructure fund investing in UK wind farms to produce stable and inflating dividends for investors while aiming to preserve capital value, the Directors consider that a listed infrastructure fund has characteristics of both an equity index and a bond index. As the Company listed on 27 March 2013, historical data for the past 10 years is not yet available. The graph below shows the TSR of the Company compared to the FTSE 250 index and the Bloomberg Barclays Sterling Corporate Bond Index:

Total Shareholder Return vs Equity and Bond Indices



On behalf of the Board

Tim Ingram
Chairman

26 February 2020

Statement of Directors' Responsibilities

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 are required to prepare the Group financial statements, and have elected to prepare the Company financial statements, in accordance with IFRS as adopted by the EU. 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 Group and Company and of the profit or loss for the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Report of the Directors, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

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 and, as regards the Group financial statements, Article 4 of the IAS Regulation. 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. The Directors are responsible for ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Directors are also responsible under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole and in doing so have regard for the needs of wider society and other stakeholders.

Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibilities also extend to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge that:

- the Group financial statements have been prepared in accordance with IFRS as adopted by the EU and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that they face.

On behalf of the Board

Tim Ingram
Chairman

26 February 2020

Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 29 to 31. The Board operates under a framework for corporate governance which is appropriate for an investment company. All companies with a premium listing of equity shares in the UK are required under the UK Listing Rules to report on how they have applied the UK Code in their Annual Report and financial statements.

The Company became a member of the AIC with effect from 27 March 2013 and has therefore put in place arrangements to comply with the AIC Code and, in accordance with the AIC Code, complies with the UK Code.

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies such as the Company.

The AIC Code and the AIC Guide are available on the AIC's website, www.theaic.co.uk. The UK Code is available on the FRC's website, www.frc.org.uk.

The Company has complied with the recommendations of the AIC Code throughout the year.

Purpose, Culture and Values

The Company's purpose remains clear; to provide shareholders with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio in the long term on a real basis through reinvestment of excess cash flow and the prudent use of gearing.

The Company provides investors with the opportunity to participate directly in the ownership of UK wind farms, so increasing the resources and capital dedicated to the deployment of renewable energy and the reduction of greenhouse gas emissions.

During the year, the Board discussed the Company's culture and values. As an investment trust with no employees, it was agreed that the culture and values of the Board should be aligned with those of the Investment Manager and centred on long term relationships with the Company's key stakeholders and sustainable investment as follows.

- **Integrity** is at the heart of every activity, with importance being placed on transparency, trustworthiness and dependability.
- The **trust** of stakeholders is very important to maintain the Company's reputation, particularly for execution certainty for asset sellers and delivery of investment promises to investors.
- **Respect** for differing opinions is to be shown across all interaction and communication.
- Individual **empowerment** is sought with growth in responsibility and autonomy being actively encouraged.
- **Collaboration** and effectively utilising the collective skills of all participants is important to ensure ideas and information are best shared.

The Board

As at the date of this report, the Board consists of 6 non-executive Directors and represents a range of investment, financial and business skills and experience. During the year, the Board appointed Lucinda Riches C.B.E. and Caoimhe Giblin as Directors of the Company with effect from 1 May 2019 and 1 September 2019 respectively, both of whom were introduced to the Company by the independent search firm Heidrick & Struggles. Dan Badger resigned as Director of the Company with effect from 31 July 2019.

The Chairman of the Board is Tim Ingram. In considering the independence of the Chairman, the Board took note of the provisions of the AIC Code relating to independence, and has determined that Mr Ingram is an independent director. Mr Ingram has confirmed his intention to retire with effect from the conclusion of the 2020 AGM. Following a rigorous, externally supported selection process, Shonaid Jemmett-Page has been selected to succeed Mr Ingram as Chairman of the Board following the 2020 AGM. The Board has determined that Ms Jemmett-Page is an independent director, in accordance with the provisions of the AIC Code. The Senior Independent Director is William Rickett C.B.. The Company has no employees and therefore there is no requirement for a chief executive.

The Articles of Association provide that Directors shall retire and offer themselves for re-election at the first AGM after their appointment and at least every 3 years thereafter. However, the AIC Code requires that Directors be subject to an annual election by shareholders, and the Directors comply with this requirement. All of the Directors shall offer themselves for re-election at the forthcoming AGM, with the exception of Tim Ingram as noted above. Having considered their effectiveness, demonstration of commitment to the role, length of service, attendance at meetings and contribution to the Board's deliberations, the Board approves the nomination for re-election of the Directors.

The terms and conditions of appointment of non-executive Directors are available for inspection from the Company's registered office.

Corporate Governance Report continued

Chair Tenure Policy

The Company's policy on Chair tenure is available on the Company website. The Chairman will normally serve no more than 9 years as Director and Chair. However, the Company recognises that where it is in the best interests of the Company, its shareholders and its stakeholders, the Chairman may serve for a limited time in excess of nine years. In such circumstances the independence of the other Directors will ensure that the Board as a whole remains independent. The Company believes that this limited flexibility regarding Chair tenure will enable it to manage succession planning more effectively.

Diversity Policy

The Board has a policy to base appointments on merit and against objective criteria, with due regard for the benefits of diversity, including gender diversity. Its objective is to attract and maintain a Board that, as a whole, comprises an appropriate balance of skills and experience.

The Board consists of individuals from relevant and complementary backgrounds offering experience in the investment management of listed funds, as well as in the energy sector from both a public policy and a commercial perspective. As at the date of this report, the Board comprised 3 men and 3 women, all non-executive Directors who are considered to be independent of the Investment Manager and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The Investment Manager operates an equal opportunities policy and its partners and employees comprise 35 men and 14 women.

Performance and Evaluation

Pursuant to Provision 26 of the AIC Code, the Board undertakes a formal and rigorous evaluation of its performance each financial year. As a FTSE 250 company, in keeping with the provisions of the AIC Code, it is the Company's policy that every 3 years an external consultant, who has no connection with the Company, carries out a formal review of the Board's performance. During the year, this formal review was conducted by Genius Methods, which were independent to the Board and each of its Directors.

This independent review, which included a review of the Board's culture, concluded that the Board and its committees were performing well, working closely with a strong and committed Investment Manager. A number of recommendations were made, all of which were embraced by the Board, and certain governance changes were implemented as a result of this review. These recommendations included broadening the annual strategy discussion to an annual risk and strategy day, to enable the Board to consider emerging risks outside the scheduled quarterly Board meetings and improving information flows by implementing the use of a Board portal. Other recommendations related to the non-executive Director recruitment process and Chairman succession planning, which were considered and adopted during 2019. In addition, the Chairman completed a series of one to one meetings with the Directors to discuss each Director's individual performance and their contribution to the Board as a whole.

An internal evaluation of the Board, the Audit Committee and individual Directors will be conducted during 2020 in the form of annual performance appraisals, questionnaires and discussions to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure. This process will be facilitated by the Company Secretary and the results of this review will be reported in the next Annual Report.

Each individual Directors' training and development needs are reviewed annually. All new Directors receive an induction from the Investment Manager, which includes the provision of information about the Company and their responsibilities. In addition, site visits and specific Board training sessions are arranged involving presentations on relevant topics.

Board Responsibilities

The Board will meet, on average, 5 times in each calendar year for scheduled Board meetings and on an ad hoc basis as and when necessary. At each meeting the Board follows a formal agenda that will cover the business to be discussed. Between meetings there is regular contact with the Investment Manager and the Administrator. The Board requires to be supplied with information by the Investment Manager, the Administrator and other advisers in a form appropriate to enable it to discharge its duties.

The Board has responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable it to ensure that the financial statements comply with applicable regulation. It is the Board's responsibility to present a fair, balanced and understandable Annual Report, which provides the information necessary for shareholders to assess the performance, strategy and business model of the Company. This responsibility extends to the half year and other price-sensitive public reports.

Corporate Governance Report continued

Committees of the Board

The Company's Audit Committee is chaired by Shonaid Jemmett-Page, and consists of a minimum of 3 members. In accordance with best practice, the Company's Chairman is not a member of the Audit Committee however he does attend Audit Committee meetings as and when deemed appropriate. With effect from the conclusion of the 2020 AGM, Shonaid Jemmett-Page will be appointed as Chairman of the Board and will be replaced as Chairman of the Audit Committee by Caoimhe Giblin. The Audit Committee Report which is on pages 42 to 45 of this report describes the work of the Audit Committee.

The Company's Management Engagement Committee comprises all of the Directors and is required to meet at least once per year. The Chairman of the Management Engagement Committee is Tim Ingram, who will retire from the Board and will be replaced by Shonaid Jemmett-Page with effect from the conclusion of the 2020 AGM. The Management Engagement Committee's main function is to keep under review the performance of the Investment Manager and make recommendations on any proposed amendment to the Investment Management Agreement.

Terms of reference for the Management Engagement Committee have been approved by the Board and are available on the Company's website.

The Management Engagement Committee met four times during the year to review the performance of the Investment Manager and to consider the structure of the Investment Manager's fee.

The Company's Nominations Committee comprises all of the Directors and is required to meet at least once per year. The Chairman of the Nominations Committee is Tim Ingram, who will retire from the Board and will be replaced by Shonaid Jemmett-Page with effect from the conclusion of the 2020 AGM. The Nominations Committee's main function is to plan for Board succession and to review annually the structure, size and composition of the Board and make recommendation to the Board with regard to any changes that are deemed necessary. Terms of reference for the Nominations Committee have been approved by the Board and are available on the Company's website.

The Nominations Committee met four times during the year to consider Board succession planning and the Director recruitment process. The committee worked closely with the search firm Heidrick & Struggles to identify candidates who displayed the relevant skills and experience, while also seeking to increase diversity on the Board. This process resulted in the appointment of Lucinda Riches C.B.E. and Caoimhe Giblin to the Board.

As Senior Independent Director, William Rickett C.B. led the Chairman succession process. The skills of the candidates were considered and following a number of discussions, it was resolved that Shonaid Jemmett-Page will succeed Tim Ingram as Chairman of the Company with effect from the conclusion of the 2020 AGM.

The Company has established a Communications and Disclosure Committee which is required to meet at least once a year. The committee has responsibility for, amongst other things, determining on a timely basis the disclosure treatment of material information, and assisting in the design, implementation and periodic evaluation of disclosure controls and procedures. The committee also has responsibility for the identification of inside information for the purpose of maintaining the Company's insider list.

Terms of reference for the Communications and Disclosure Committee have been approved by the Board and are available on the Company's website. Membership consists of the Chairman (or one other Director) and one of Stephen Lilley and Laurence Fumagalli. Additional members of the committee may be appointed and existing members removed by the committee. The membership of the committee is reviewed by the Board on a periodic basis and at least once a year.

The AIC Code recommends that companies appoint a Remuneration Committee, however the Board has not deemed this necessary, as being wholly comprised of non-executive Directors, the whole Board considers these matters.

The Investment Manager

The Board has entered into the Investment Management Agreement with the Investment Manager under which the Investment Manager is responsible for developing strategy and the day-to-day management of the Group's investment portfolio, in accordance with the Group's investment objective and policy, subject to the overall supervision of the Board. A summary of the fees paid to the Investment Manager are given in note 3 to the financial statements.

The Investment Manager's appointment is terminable by the Investment Manager or the Company on not less than 12 months' notice. The Investment Management Agreement may be terminated with immediate effect and without compensation, by either the Investment Manager or the Company if the other party has gone into liquidation, administration or receivership or has committed a material breach of the Investment Management Agreement.

Corporate Governance Report continued

The Investment Manager continued

The Board as a whole reviewed the Company's compliance with the UK Corporate Governance Code, the Listing Rules, the Disclosure Guidance and Transparency Rules and the AIC Code. In accordance with the Listing Rules, the Directors confirm that the continued appointment of the Investment Manager under the current terms of the Investment Management Agreement is in the interests of shareholders. The Board also reviewed the performance of other service providers and examined the effectiveness of the Company's internal control systems during the year.

Board Meetings, Committee Meetings and Directors' Attendance

The number of meetings of the full Board attended in the year to 31 December 2019 by each Director is set out below:

	Scheduled Board Meetings (Total of 5)	Additional Board Meetings (Total of 11)
Tim Ingram	5	11
Shonaid Jemmett-Page	5	8
William Rickett C.B.	5	9
Martin McAdam	5	11
Lucinda Riches C.B.E.(1)	2	4
Caoimhe Giblin(2)	1	4
Dan Badger(3)	4	5

(1) Appointed with effect from 1 May 2019, following which 2 scheduled Board meetings and 6 additional Board meetings took place.

(2) Appointed with effect from 1 September 2019, following which 1 scheduled Board meeting and 4 additional Board meetings took place.

(3) Resigned with effect from 31 July 2019, at which point 4 scheduled Board meetings and 7 additional Board meetings had taken place.

The number of meetings of the committees of the Board attended in the year to 31 December 2019 by each committee member is set out below:

	Audit Committee Meetings (Total of 4)	Management Engagement Committee Meetings (Total of 4)	Nominations Committee Meetings (Total of 4)
Tim Ingram	n/a	4	3
Shonaid Jemmett-Page	4	4	3
William Rickett C.B.	4	4	4
Martin McAdam	4	4	4
Lucinda Riches C.B.E.(1)	2	2	1
Caoimhe Giblin(2)	1	2	1
Dan Badger(3)	3	2	3

(1) Appointed with effect from 1 May 2019, following which 2 Audit Committee meetings, 2 Management Engagement Committee meetings and 2 Nominations Committee meetings took place.

(2) Appointed with effect from 1 September 2019, following which 1 Audit Committee meeting, 2 Management Engagement Committee meetings and 1 Nominations Committee meeting took place.

(3) Resigned with effect from 31 July 2019, at which point 3 Audit Committee meetings, 2 Management Engagement Committee meetings and 3 Nominations Committee meetings had taken place.

Internal Control

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that it has an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place throughout the year and has continued since the year end.

The Company's principal risks and uncertainties are detailed on pages 6 to 8 of this report. As further explained in the Audit Committee Report, the risks of the Company are outlined in a risk matrix which was reviewed and updated during the year. The Board continually reviews its policy setting and updates the risk matrix at least annually to ensure that procedures are in place with the intention of identifying, mitigating and minimising the impact of risks should they crystallise and has a process in place to identify emerging risks and to determine whether any actions are required. The Board relies on reports periodically provided by the Investment Manager and the Administrator regarding risks that the Company faces. When required, experts are employed to gather information, including tax and legal advisers. The Board also regularly monitors the investment environment and the management of the Company's portfolio, and applies the principles detailed in the internal control guidance issued by the FRC.

The Board holds an annual risk and strategy discussion, which enables the Directors to consider risk outside the scheduled quarterly Board meetings. This enables emerging risks to be identified and discussions on horizon scanning to occur, so the Board can consider how to manage and potentially mitigate any relevant emerging risks.

The principal features of the internal control systems which the Investment Manager and the Administrator have in place in respect of the Group's financial reporting include:

- internal reviews of all financial reports;
- review by the Board of financial information prior to its publication;
- authorisation limits over expenditure incurred by the Group;
- review of valuations; and
- authorisation of investments.

Corporate Governance Report continued

Whistleblowing

The Board has considered the AIC Code recommendations in respect of arrangements by which staff of the Investment Manager or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow-up action to be taken within their organisation.

Amendment of Articles of Association

The Company's Articles of Association may be amended by the members of the Company by special resolution (requiring a majority of at least 75 per cent of the persons voting on the relevant resolution).

Engagement with Stakeholders

The Company is committed to maintaining good communications and building positive relationships with all stakeholders, including shareholders, debt providers, analysts, potential investors, suppliers and the wider communities in which the Group and its investee companies operate. This includes regular engagement with the Company's shareholders and other stakeholders by the Board, the Investment Manager and the Administrator. Regular feedback is provided to the Board to ensure they understand the views of stakeholders.

Relations with Shareholders

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Investment Manager is available at all reasonable times to meet with principal shareholders and key sector analysts. The Chairman, the Senior Independent Director and other Directors are also available to meet with shareholders, if required.

All shareholders have the opportunity to put questions to the Company at its registered address. The AGM of the Company will provide a forum for shareholders to meet and discuss issues with the Directors and Investment Manager.

The Board receives comprehensive shareholder reports from the Company's Registrar and regularly monitors the views of shareholders and the shareholder profile of the Company. The Board is also kept fully informed of all relevant market commentary on the Company by the Investment Manager.

Relations with Other Stakeholders

The Company values its relationships with its debt providers. The Investment Manager ensures the Company continues to meet its debt covenants and reporting requirements. During the year, the Company increased its amount of term debt with CBA, CIBC and NAB as disclosed in note 13 to the Financial Statements.

The Investment Manager conducts presentations with analysts and investors to coincide with the announcement of the Company's full and half year results, providing an opportunity for discussions and queries on the Company's activities, performance and key metrics. In addition to these semi-annual presentations, the Investment Manager meets regularly with analysts and investors to provide further updates with how the Company and the investment portfolio are performing.

The Directors and Investment Manager receive informal feedback from analysts and investors, which is presented to the Board by the Company's Broker. The Company Secretary also receives informal feedback via queries submitted through the Company's website and these are addressed by the Board, the Investment Manager or the Company Secretary, where applicable.

The Company recognises that relationships with suppliers are enhanced by prompt payment and the Company's Administrator ensures all payments are processed within the contractual terms agreed with the individual suppliers.

The Company, via its Investment Manager, has long term and important relationships with its operational site managers and turbine operations and maintenance managers and reviews performance, including health and safety, on a monthly basis. The Investment Manager also engages with both to integrate operational best practice. Representatives of the site manager and SPV board directors, from the Investment Manager, visit all operational sites on a regular basis and carry out safety walks at least once a year on each site. The Board's Health and Safety Director also visits sites at regular intervals.

Similarly, environment protection issues are reported on every month by the site managers and annual habitat management plans are agreed by each SPV board for all sites to ensure that the environment in and surrounding each windfarm is carefully protected.

The Directors recognise that the long term success of the Company is linked to the success of the communities in which the Group, and its investee companies, operate. During the year, a number of community projects were supported by the Company's investment portfolio companies, further details of which can be found in the latest ESG report, available on the Company's website: www.greencoat-ukwind.com.

Corporate Governance Report continued

Engagement with Stakeholders continued

Relations with Other Stakeholders *continued*

Key decisions made or approved by the Directors during the year and the impact of those decisions on the Company's members and wider stakeholders is disclosed further in the Strategic Report on pages 9 to 10.

Shareholders may also find Company information or contact the Company through its website.

On behalf of the Board

Tim Ingram

Chairman of the Board

26 February 2020

Church Hill

Audit Committee Report

At the date of this report, the Audit Committee comprised Shonaid Jemmett-Page (Chairman), William Rickett C.B., Martin McAdam, Lucinda Riches C.B.E., with effect from 1 May 2019, and Caoimhe Giblin, with effect from 1 September 2019. Dan Badger resigned from the Audit Committee with effect from 31 July 2019. Shonaid Jemmett-Page will be appointed as Chairman of the Board and will be replaced as Chairman of the Audit Committee by Caoimhe Giblin with effect from the conclusion of the 2020 AGM. The AIC Code has a requirement that at least one member of the Audit Committee should have recent and relevant financial experience and the Audit Committee as a whole shall have competence relevant to the sector. The Board is satisfied that the Audit Committee is properly constituted in these respects. The qualifications and experience of all Audit Committee members are disclosed on pages 25 to 28 of this report.

The Audit Committee operates within clearly defined terms of reference which were reviewed during the financial year and approved by the Board, and include all matters indicated by Disclosure Guidance and Transparency Rule 7.1 and the AIC Code and are available for inspection on the Company's website: www.greencoat-ukwind.com.

Audit Committee meetings are scheduled at appropriate times in the reporting and auditing cycle. The Chairman, other Directors and third parties may be invited to attend meetings as and when deemed appropriate.

Summary of the Role and Responsibilities of the Audit Committee

The duties of the Audit Committee include reviewing the Company's quarterly NAV, half year report, Annual Report and financial statements and any formal announcements relating to the Company's financial performance.

The Audit Committee is the forum through which the external Auditor reports to the Board and is responsible for reviewing the terms of appointment of the Auditor, together with their remuneration. On an ongoing basis, the Audit Committee is responsible for reviewing the objectivity of the Auditor along with the effectiveness of the audit and the terms under which the Auditor is engaged to perform non-audit services (restricted to the limited scope review of the half year report and reporting accountant services in relation to equity raises). The Audit Committee is also responsible for reviewing the Company's corporate governance framework, system of internal controls and risk management, ensuring they are suitable for an investment company.

The Audit Committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

Overview

During the year, the Audit Committee's discussions have been broad ranging. In addition to the 4 formally convened Audit Committee meetings during the year, the Audit Committee has had regular contact and meetings with the Investment Manager, the Administrator and the Auditor. These meetings and discussions focused on, but were not limited to:

- a detailed analysis of the Company's quarterly NAVs;
- reviewing the updated risk matrix of the Company;
- reviewing the Company's corporate governance framework;
- reviewing the internal controls framework for the Company, the Administrator and the Investment Manager, considering the need for a separate internal audit function;
- considering any incidents of internal control failure or fraud and the Company's response;
- considering the ongoing assessment of the Company as a going concern;
- considering the principal risks and period of assessment for the longer term viability of the Company;
- monitoring the ongoing appropriateness of the Company's status as an investment entity under IFRS 10, in particular following an acquisition;
- monitoring compliance with AIFMD, the AIC code and other regulatory and governance frameworks;
- reviewing and approving the audit plan in relation to the audit of the Company's Annual Report and financial statements;
- monitoring compliance with the Company's policy on the provision of non-audit services by the Auditor; and
- reviewing the effectiveness, resources, qualifications and independence of the Auditor.

Audit Committee Report continued

Financial Reporting

The primary role of the Audit Committee in relation to financial reporting is to review with the Investment Manager, the Administrator and the Auditor the appropriateness of the half year report and Annual Report and financial statements, concentrating on, amongst other matters:

- the quality and acceptability of accounting policies and practices;
- the clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- amendments to legislation and corporate governance reporting requirements and accounting treatment of new transactions in the year;
- the impact of new and amended accounting standards on the Company's financial statements;
- whether the Audit Committee believes that proper and appropriate processes and procedures have been followed in the preparation of the half year report and Annual Report and financial statements;
- consideration and recommending to the Board for approval of the contents of the annual financial statements and reviewing the Auditors' report thereon including consideration of whether the financial statements are overall fair, balanced and understandable;
- material areas in which significant judgements have been applied or there has been discussion with the Auditor; and
- any correspondence from regulators in relation to the Company's financial reporting.

BDO LLP attended 2 of the 4 formal Audit Committee meetings held during the year. The Audit Committee has also held private meetings with the Auditor to provide additional opportunities for open dialogue and feedback. Matters typically discussed include the Auditor's assessment of the transparency and openness of interactions with the Investment Manager and the Administrator, confirmation that there has been no restriction in scope placed on them, the independence of their audit and how they have exercised professional scepticism.

Significant Issues

The Audit Committee discussed the planning, conduct and conclusions of the external audit as it proceeded. At the Audit Committee meeting in advance of the year end, the Audit Committee discussed and approved the Auditor's audit plan. The Audit Committee identified the carrying value of investments as a key area of risk of misstatement in the Company's financial statements.

Assessment of the Carrying Value of Investments

The Group's accounting policy is to designate investments at fair value through profit or loss. Therefore, the most significant risk in the Group's financial statements is whether its investments are fairly valued due to the uncertainty involved in determining the investment valuations. There is also an inherent risk of management override as the Investment Manager's fee is calculated based on NAV as disclosed in note 3 to the financial statements. The Investment Manager is responsible for calculating the NAV with the assistance of the Administrator, prior to approval by the Board.

On a quarterly basis, the Investment Manager provides a detailed analysis of the NAV highlighting any movements and assumption changes from the previous quarter's NAV. This analysis and the rationale for any changes made is considered and challenged by the Chairman of the Audit Committee and subsequently considered and approved by the Board. The Audit Committee has satisfied itself that the key estimates and assumptions used in the valuation model are appropriate and that the investments have been fairly valued. The key estimates and assumptions include the useful life of the assets, the discount factors, the level of wind resource, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce.

Internal Control

The Audit Committee has established a set of ongoing processes designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is one whereby the Investment Manager has identified the principal risks to which the Company is exposed, and recorded them on a risk matrix together with the controls employed to mitigate these risks and has a process in place to identify emerging risks and to determine whether any actions are required. A residual risk rating has been applied to each risk. The Audit Committee is responsible for reviewing the risk matrix and associated controls before recommending to the Board for consideration and approval, challenging the Investment Manager's assumptions to ensure a robust internal risk management process.

Audit Committee Report continued

Internal Control continued

The Audit Committee considers risk and strategy regularly, and formally reviewed the updated risk matrix in Q1 2020 and will continue to do so at least annually. By their nature, these procedures provide a reasonable, but not absolute, assurance against material misstatement or loss. Regular reports are provided to the Audit Committee highlighting material changes to risk ratings.

The Audit Committee reviewed the Group's principal risks and uncertainties as at 30 June 2019, to determine that these were unchanged from those disclosed in the Company's 2018 Annual Report and remained the most likely to affect the Group in the second half of the year.

During the year, the Audit Committee discussed and reviewed in depth the internal controls frameworks in place at the Investment Manager and the Administrator. Discussions were centred around 3 lines of defence: assurances at operational level; internal oversight; and independent objective assurance. The Administrator holds the International Standard on Assurance Engagements (ISAE) 3402 Type 2 certification. This entails an independent rigorous examination and testing of their controls and processes.

The Audit Committee concluded that these frameworks were appropriate for the identification, assessment, management and monitoring of financial, regulatory and other risks, with particular regard to the protection of the interests of the Company's shareholders.

Internal Audit

The Audit Committee continues to review the need for an internal audit function and has decided that the systems, processes and procedures employed by the Company, Investment Manager and Administrator, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control is maintained. In addition to this, the Company's external Depositary provides cash monitoring, asset verification and oversight services to the Company.

The Audit Committee has therefore concluded that shareholders' investments and the Company's assets are adequately safeguarded and an internal audit function specific to the Company is considered unnecessary.

The Audit Committee is available on request to meet investors in relation to the Company's financial reporting and internal controls.

External Auditor

Effectiveness of the Audit Process

The Audit Committee assessed the effectiveness of the audit process by considering BDO LLP's fulfilment of the agreed audit plan through the reporting presented to the Audit Committee by BDO LLP and the discussions at the Audit Committee meeting, which highlighted the major issues that arose during the course of the audit. In addition, the Audit Committee also sought feedback from the Investment Manager and the Administrator on the effectiveness of the audit process. For this financial year, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good.

Non-Audit Services

Details of fees paid to BDO LLP during the year are disclosed in note 5 to the financial statements. The Audit Committee approved these fees after a review of the level and nature of work to be performed, and are satisfied that they are appropriate for the scope of the work required. The Audit Committee seeks to ensure that any non-audit services provided by the external Auditor do not conflict with their statutory and regulatory responsibilities, as well as their independence, before giving written approval prior to their engagement. The Audit Committee was satisfied that BDO LLP had adequate safeguards in place and that provision of these non-audit services did not provide threats to the Auditor's independence.

The Audit Committee has a policy regarding the provision of non-audit services by the external Auditor which precludes the external Auditor from providing any of the prohibited non-audit services as listed in Article 5 of the EU Directive Regulation (EU) No 537/2014. The Audit Committee monitors the Group's expenditure on non-audit services provided by the Company's Auditor who should only be engaged for non-audit services where they are deemed to be the most commercially viable supplier and prior approval of the Audit Committee has been sought.

Independence

The Audit Committee is required to consider the independence of the external Auditor. In fulfilling this requirement, the Audit Committee has considered a report from BDO LLP describing its arrangements to identify, report and manage any conflict of interest and the extent of non-audit services provided by them.

The Audit Committee has concluded that it considers BDO LLP to be independent of the Company and that the provision of the non-audit services described above is not a threat to the objectivity and independence of the conduct of the audit.

Audit Committee Report continued

External Auditor continued

Re-appointment

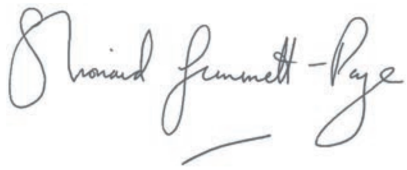
BDO LLP has been the Company's Auditor from its incorporation on 4 December 2012. The Auditor is required to rotate the audit partner responsible for the Group audit every 5 years. A new lead partner was appointed in 2015 and therefore the lead partner will be required to rotate after the completion of the 2019 year end audit.

The external audit contract is required to be put to tender at least every 10 years. The Audit Committee shall give advance notice of any retendering plans within the Annual Report. The Audit Committee has considered the re-appointment of the Auditor and decided not to put the provision of the external audit out to tender at this time. As described above, the Audit Committee reviewed the effectiveness and independence of the Auditor and remains satisfied that the Auditor provides effective independent challenge to the Board, the Investment Manager and the Administrator. The Audit Committee will continue to monitor the performance of the Auditor on an annual basis and will consider their independence and objectivity, taking account of appropriate guidelines.

The Audit Committee has therefore recommended to the Board that BDO LLP be proposed for re-appointment as the Company's Auditor at the 2020 AGM of the Company.

Annual General Meeting

The Chairman of the Audit Committee will be present at the Company's 2020 AGM to answer questions on the Audit Committee's activity and matters within the scope of the Audit Committee's responsibilities.



Shonaid Jemmett-Page
Chairman of the Audit Committee

26 February 2020

Independent Auditor's Report

To the Members of Greencoat UK Wind PLC

Opinion

We have audited the financial statements of Greencoat UK Wind Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the consolidated Statement of Comprehensive Income, the consolidated and Parent Company Statement of Financial Position, the consolidated and Parent Company Statement of Changes in Equity, the consolidated and Parent Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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 Group and the Parent 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 as applied to listed public interest entities, 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the Annual Report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the Directors' confirmation set out on pages 6 to 9 in the Annual Report that they have carried out a robust assessment of the Group's emerging and principal risks and the disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the Directors' statement set out on pages 8 to 9 in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Group and the Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 9 in the Annual Report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Independent Auditor's Report continued

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter – Valuation of Investments	How we addressed the key audit matter in the audit
See note 1 and note 9 The valuation of investments is a highly subjective accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the Company. 100 per cent of the underlying investment portfolio is represented by unquoted equity and loan investments and all investments are individually material to the financial statements.	In respect of the equity investments valued using discounted cash flow models, we performed the following specific procedures: • Used spreadsheet analysis tools to assess the integrity of the valuation models and track changes to inputs or structure • Agreed wind generation and power price forecasts to independent reports produced by management's experts • For new investments we obtained and reviewed all key agreements and contracts and considered whether these were accurately reflected in the valuation model • For existing investments we analysed changes in significant assumptions compared with assumptions audited in previous periods and vouched these to independent evidence including available industry data • Challenged the appropriateness of the selection and application of key assumptions in the model including the discount factor, inflation, asset life, energy yield and power price applied by benchmarking to available industry data and consulting with our internal valuations specialists • Reviewed the corporation tax workings within the valuation model • Agreed cash and other net assets to bank statements and investee company management accounts • Considered the accuracy of forecasting by comparing previous forecasts to actual results • Reviewed the outcome of purchase price true-ups that have taken place in the year and confirmed that these have been accurately reflected in the models. For loan investments we performed the following: • Vouched to loan agreements and verified the terms of the loan • Considered wider economic and commercial factors that, in our opinion could impact on the recoverability and fair value of the loan • Considered the carrying value of the loan with regard to the "unit of account" concept. For each of the key assumptions in the valuation models, we considered the appropriateness of the assumption and whether alternative reasonable assumptions could have been applied. We considered each assumption in isolation as well as in conjunction with other assumptions and the valuation as a whole. Where appropriate, we sensitised the valuations where other reasonable alternative assumptions could have been applied. We also considered the completeness and clarity of disclosures regarding the range of reasonable alternative assumptions in the financial statements. **Key observations** Based on our procedures performed we found the valuation of the investment portfolio to be within an acceptable range.

Independent Auditor's Report continued

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The application of these key considerations gives rise to two levels of materiality for the Group, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Basic and Key considerations	2019 Quantum (£)	2018 Quantum (£)
Financial statement materiality	Assessing whether the financial statements as a whole present a true and fair view	Group based on 1.5 per cent of net asset value Parent: 95 per cent of Group • The nature of the investment portfolio and the level of judgement inherent in the valuation • The level of gearing in the portfolio	27,600,000 (Group) 25,300,000 (Parent)	20,900,000 (Group) 19,900,000 (Parent)
Specific materiality – classes of transactions and balances which impact on the realised return	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	Group: 10 per cent of profit before tax for the year excluding unrealised valuation movements Parent: 95 per cent of Group	15,100,000 (Group) 14,300,000 (Parent)	11,600,000 (Group) 11,000,000 (Parent)

Component materiality has been set at 95 per cent of Group materiality.

Performance materiality is application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessment together with our assessment of the Group and the Parent Company's overall control environment, our judgment was that overall performance materiality for Group and the Parent Company should be 75 per cent (2018: 75 per cent) of materiality, namely £20.7 million (2018: £15.7 million) for Group financial statement performance materiality, £19.7 million for Parent Company performance materiality (2018: £14.9 million) and £10.8 million (2018: £8.7 million) for Group specific performance materiality and £10.3 million (2018: £8.3 million).

We agreed with the Audit Committee that we would report to the Audit Committee all audit differences in excess of £560,000 (2018: £390,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's Report continued

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Group's activities and the overall control environment. Based on this understanding we assessed those aspects of the Group's and the Parent Company's transactions and balances which were most likely to give rise to a material misstatement.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of the valuation of investments which have a high level of estimation uncertainty involved in determining the unquoted investment valuations.

BDO LLP carried out a full scope audit of both the Parent Company and its subsidiary.

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

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, and IFRS.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Other information

The other information comprises all 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. 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report continued

Other information continued

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** – the statement given by the Directors on page 30 that they consider the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting set out on pages 42 to 45** – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 36** – the parts of the Directors' statement required under the Listing Rules relating to the Parent Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 35, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report continued

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. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the Audit Committee, we were appointed by the Directors to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. In respect of the year ended 31 December 2019 we were reappointed as auditor by the members at the annual general meeting of the Parent Company held on 26 April 2019. The period of total uninterrupted engagement is 7 years, covering the years ending 31 December 2013 to 31 December 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Leigh Treacy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

26 February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

	Note	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Return on investments	4	88,266	231,461
Other income		970	775
Total income and gains		**89,236**	**232,236**
Operating expenses	5	(20,063)	(15,162)
Investment acquisition costs		(2,850)	(1,910)
Operating profit		**66,323**	**215,164**
Finance expense	13	(23,029)	(14,486)
Profit for the year before tax		**43,294**	**200,678**
Tax credit	6	—	1,703
Profit for the year after tax		**43,294**	**202,381**
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**43,294**	**202,381**
Earnings per share			
Basic and diluted earnings from continuing operations in the year (pence)	7	**3.14**	**18.54**

The accompanying notes on pages 58 to 82 form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 £'000	31 December 2018 £'000
Non current assets			
Investments at fair value through profit or loss	9	2,423,206	1,871,207
		2,423,206	**1,871,207**
Current assets			
Receivables	11	604	1,615
Cash and cash equivalents		24,717	3,427
		25,321	**5,042**
Current liabilities			
Payables	12	(5,761)	(3,439)
Net current assets		**19,560**	**1,603**
Non current liabilities			
Loans and borrowings	13	(600,000)	(480,000)
Net assets		**1,842,766**	**1,392,810**
Capital and reserves			
Called up share capital	15	15,175	11,314
Share premium account	15	1,442,218	946,211
Other distributable reserves		—	32,386
Retained earnings		385,373	402,899
Total shareholders' funds		**1,842,766**	**1,392,810**
Net assets per share (pence)	16	**121.4**	**123.1**

Authorised for issue by the Board on 26 February 2020 and signed on its behalf by:

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 58 to 82 form an integral part of the financial statements.

Statement of Financial Position – Company

As at 31 December 2019

	Note	31 December 2019 £'000	31 December 2018 £'000
Non current assets			
Investments at fair value through profit or loss	9	2,445,450	1,875,709
		2,445,450	**1,875,709**
Current assets			
Receivables	11	82	100
Cash and cash equivalents		574	36
		656	**136**
Current liabilities			
Payables	12	(3,340)	(3,035)
Net current liabilities		**(2,684)**	**(2,899)**
Non current liabilities			
Loans and borrowings	13	(600,000)	(480,000)
Net assets		**1,842,766**	**1,392,810**
Capital and reserves			
Called up share capital	15	15,175	11,314
Share premium account	15	1,442,218	946,211
Other distributable reserves		—	32,386
Retained earnings		385,373	402,899
Total shareholders' funds		**1,842,766**	**1,392,810**
Net assets per share (pence)	**16**	**121.4**	**123.1**

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 and accordingly has not presented a Statement of Comprehensive Income for the Company alone. The profit after tax of the Company alone for the year was £43,294,000 (2018: £202,381,000).

Authorised for issue by the Board on 26 February 2020 and signed on its behalf by:

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 58 to 82 form an integral part of the financial statements.

Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2019

For the year ended 31 December 2019	Note	Share capital £'000	Share premium £'000	Other distributable reserves £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2019)		11,314	946,211	32,386	402,899	**1,392,810**
Issue of share capital	15	3,861	503,381	—	—	**507,242**
Share issue costs	15	—	(7,374)	—	—	**(7,374)**
Profit and total comprehensive income for the year		—	—	—	43,294	**43,294**
Interim dividends paid in the year	8	—	—	(32,386)	(60,820)	**(93,206)**
Closing net assets attributable to shareholders		**15,175**	**1,442,218**	**—**	**385,373**	**1,842,766**

Other distributable reserves were created through the cancellation of the share premium account on 5 June 2013. This amount is capable of being applied in any manner in which the Company's profits available for distribution, as determined in accordance with the Companies Act 2006, are able to be applied.

After taking account of cumulative unrealised gains of £102,032,448, the total reserves distributable by way of a dividend as at 31 December 2019 were £283,339,740.

For the year ended 31 December 2018	Note	Share capital £'000	Share premium £'000	Other distributable reserves £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2018)		10,285	828,526	104,711	200,518	**1,144,040**
Issue of share capital	15	1,029	119,366	—	—	**120,395**
Share issue costs	15	—	(1,681)	—	—	**(1,681)**
Profit and total comprehensive income for the year		—	—	—	202,381	**202,381**
Interim dividends paid in the year	8	—	—	(72,325)	—	**(72,325)**
Closing net assets attributable to shareholders		**11,314**	**946,211**	**32,386**	**402,899**	**1,392,810**

After taking account of cumulative unrealised gains of £163,704,725, the total reserves distributable by way of a dividend as at 31 December 2018 were £271,580,244.

The accompanying notes on pages 58 to 82 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

	Note	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Net cash flows from operating activities	17	**135,421**	**101,829**
Cash flows from investing activities			
Acquisition of investments	9	(620,903)	(364,633)
Investment acquisition costs		(3,057)	(1,647)
Repayment of shareholder loan investments	9	7,232	15,845
Net cash flows from investing activities		**(616,728)**	**(350,435)**
Cash flows from financing activities			
Issue of share capital	15	505,742	118,845
Payment of issue costs		(7,374)	(1,949)
Amounts drawn down on loan facilities	13	740,000	480,000
Amounts repaid on loan facilities	13	(620,000)	(265,000)
Finance costs	17	(22,565)	(13,460)
Dividends paid	8	(93,206)	(72,325)
Net cash flows from financing activities		**502,597**	**246,111**
Net increase/(decrease) in cash and cash equivalents during the year		**21,290**	**(2,495)**
Cash and cash equivalents at the beginning of the year		**3,427**	**5,922**
Cash and cash equivalents at the end of the year		**24,717**	**3,427**

The accompanying notes on pages 58 to 82 form an integral part of the financial statements.

Statement of Cash Flows – Company

For the year ended 31 December 2019

	Note	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Net cash flows from operating activities	17	**1,022**	**687**
Cash flows from investing activities			
Loans advanced to Group companies	9	(593,895)	(331,735)
Repayment of loans to Group companies		90,814	84,894
Net cash flows from investing activities		**(503,081)**	**(246,841)**
Cash flows from financing activities			
Issue of share capital	15	505,742	118,845
Payment of issue costs		(7,374)	(1,949)
Amounts drawn down on loan facilities	13	740,000	480,000
Amounts repaid on loan facilities	13	(620,000)	(265,000)
Finance costs	17	(22,565)	(13,460)
Dividends paid	8	(93,206)	(72,325)
Net cash flows from financing activities		**502,597**	**246,111**
Net increase/(decrease) in cash and cash equivalents during the year		**538**	**(43)**
Cash and cash equivalents at the beginning of the year		**36**	**79**
Cash and cash equivalents at the end of the year		**574**	**36**

The accompanying notes on pages 58 to 82 form an integral part of the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

1. Significant accounting policies

Basis of accounting

The consolidated annual financial statements have been prepared in accordance with IFRS to the extent that they have been adopted by the EU and with those parts of the Companies Act 2006 applicable to companies under IFRS.

The annual financial statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. The principal accounting policies are set out below.

These consolidated financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates and are rounded to the nearest thousand, unless otherwise stated.

Accounting for subsidiaries

The Directors have concluded that the Group has all the elements of control as prescribed by IFRS 10 "Consolidated Financial Statements" in relation to all its subsidiaries and that the Company continues to satisfy the three essential criteria to be regarded as an investment entity as defined in IFRS 10, IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Consolidated and Separate Financial Statements". The three essential criteria are such that the entity must:

1. Obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;

2. Commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and

3. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criteria, the notion of an investment time frame is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. Although the Company has invested in equity interests in wind farms that have an indefinite life, the underlying wind farm assets that it invests in have an expected life of 30 years. The Company intends to hold these wind farms for the remainder of their useful life to preserve the capital value of the portfolio. However, as the wind farms are expected to have no residual value after their 30 year life, the Directors consider that this demonstrates a clear exit strategy from these investments.

Subsidiaries are therefore measured at fair value through profit or loss, in accordance with IFRS 13 "Fair Value Measurement" and IFRS 9 "Financial Instruments". The financial support provided by the Company to its unconsolidated subsidiaries is disclosed in note 10.

Notwithstanding this, IFRS 10 requires subsidiaries that provide services that relate to the investment entity's investment activities to be consolidated. Accordingly, the annual financial statements include the consolidated financial statements of Greencoat UK Wind PLC and Greencoat UK Wind Holdco Limited (a 100 per cent owned UK subsidiary). In respect of these entities, intra-Group balances and any unrealised gains arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless the costs cannot be recovered. The financial statements of subsidiaries that are included in the consolidated financial statements are included from the date that control commences until the dates that control ceases.

In the parent company financial statements, investments in subsidiaries are measured at fair value through profit or loss in accordance with IFRS 9, as permitted by IAS 27.

Accounting for associates and joint ventures

The Group has taken the exemption permitted by IAS 28 "Investments in Associates and Joint Ventures" and IFRS 11 "Joint Arrangements" for entities similar to investment entities and measures its investments in associates and joint ventures at fair value. The Directors consider an associate to be an entity over which the Group has significant influence, through an ownership of between 20 per cent and 50 per cent. The Group's associates and joint ventures are disclosed in note 10.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

1. Significant accounting policies continued

New and amended standards and interpretations applied

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2019 that had a significant effect on the Group or Company's financial statements. Furthermore, none of the amendments to standards that are effective from that date had a significant effect on the financial statements.

IFRS 16 "Leases" was issued and became effective for accounting periods beginning on or after 1 January 2019. As the Group's investments are held at fair value through profit or loss and the operating leases are held at SPV level, the introduction of IFRS 16 has had no impact on the reported results and financial position of the Group.

New and amended standards and interpretations not applied

Other accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2020 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Group.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

At 31 December 2019 and 2018 the carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and short term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the original instruments and their expected realisation. The fair value of advances and other balances with related parties which are short-term or repayable on demand is equivalent to their carrying amount.

Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics.

All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at the date on which the Group became party to the contractual requirements of the financial asset.

The Group's and Company's financial assets principally comprise of investments held at fair value through profit or loss and loans and receivables.

Loans and receivables at amortised cost

Impairment provisions for loans and receivables are recognised based on a forward looking expected credit loss model. All financial assets assessed under this model are immaterial to the financial statements.

Investments held at fair value through profit or loss

Investments are designated upon initial recognition as held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Consolidated Statement of Comprehensive Income at each valuation point. As shareholder loan investments form part of a managed portfolio of assets whose performance is evaluated on a fair value basis, loan investments are designated at fair value in line with equity investments.

The Company's loan and equity investments in Holdco are held at fair value through profit or loss. Gains or losses resulting from the movement in fair value are recognised in the Company's Statement of Comprehensive Income at each valuation point.

Financial assets are recognised/derecognised at the date of the purchase/disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on an unlevered, discounted cashflow basis in accordance with IFRS 13 and IFRS 9.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

1. Significant accounting policies continued

***Financial assets** continued*

Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- when the Group has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred or retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cashflow has expired.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into and are recorded on the date on which the Group becomes party to the contractual requirements of the financial liability.

All loans and borrowings are initially recognised at cost, being fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Loan balances as at the year end have not been discounted to reflect amortised cost, as the amounts are not materially different from the outstanding balances.

The Group's other financial liabilities measured at amortised cost include trade and other payables and other short term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

Finance expenses

Borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period to which they relate on an accruals basis.

Share capital

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities. The Company's ordinary shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from proceeds. Incremental costs include those incurred in connection with the placing and admission which include fees payable under a placing agreement, legal costs and any other applicable expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of 3 months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive Income.

Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make payment has been established.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

1. Significant accounting policies continued

Income recognition

Dividend income and interest income on shareholder loan investments are recognised when the Group's entitlement to receive payment is established.

Other income is accounted for on an accruals basis using the effective interest rate method.

Gains or losses resulting from the movement in fair value of the Group's and Company's investments held at fair value through profit or loss are recognised in the Consolidated or Company Statement of Comprehensive Income at each valuation point.

Expenses

Expenses are accounted for on an accruals basis. Share issue expenses of the Company directly attributable to the issue and listing of shares are charged to the share premium account.

The Company issues shares to the Investment Manager in exchange for receiving investment management services. The fair value of the investment management services received in exchange for shares is recognised as an expense at the time at which the investment management fees are earned, with a corresponding increase in equity. The fair value of the investment management services is calculated by reference to the definition of investment management fees in the Investment Management Agreement.

Taxation

Under the current system of taxation in the UK, the Group is liable to taxation on its operations in the UK.

Payment received or receivable from the Group or Group owned SPVs for losses surrendered are recognised in the financial statements and form part of the tax credit. In some situations, it might not be appropriate to recognise the tax credit until the Group's and Group owned SPVs' tax affairs have been finalised and the losses elections have been made.

Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted at the date of the Consolidated Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit or the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments, except where the Group is able to control the timing of the reversal of the difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Consolidated Statement of Comprehensive Income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis. Deferred tax assets and liabilities are not discounted.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors, as a whole. The key measure of performance used by the Board to assess the Group's performance and to allocate resources is the total return on the Group's net assets, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

1. Significant accounting policies continued

Segmental reporting continued

For management purposes, the Group is organised into one main operating segment, which invests in wind farm assets.

All of the Group's income is generated within the UK.

All of the Group's non-current assets are located in the UK.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements. Estimates, by their nature, are based on judgement and available information.

As disclosed in note 1, the Directors have concluded that the Company meets the definition of an investment entity as defined in IFRS 10, IFRS 12 and IAS 27. This conclusion involved a degree of judgement and assessment as to whether the Company met the criteria outlined in the accounting standards.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments as disclosed in note 9 to the financial statements.

The key assumptions that have a significant impact on the carrying value of investments that are valued by reference to the discounted value of future cashflows are the useful life of the assets, the discount factors, the level of wind resource, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce.

Useful lives are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness. The assumption used for the useful life of the wind farms is 30 years. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

The discount factors are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount factors applied to the cashflows are reviewed annually by the Investment Manager to ensure they are at the appropriate level. The Investment Manager will take into consideration market transactions, where of similar nature, when considering changes to the discount factors used.

The revenues and expenditure of the investee companies are frequently partly or wholly subject to indexation and an assumption is made that inflation will increase at a long term rate.

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the Government support regimes. Future power prices are estimated using external third party forecasts which take the form of specialist consultancy reports. The future power price assumptions are reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection.

Specifically commissioned external reports are used to estimate the expected electrical output from the wind farm assets taking into account the expected average wind speed at each location and generation data from historical operation. The actual electrical output may differ considerably from that estimated in such a report mainly due to the variability of actual wind to that modelled in any one period. Assumptions around electrical output will be reviewed only if there is good reason to suggest there has been a material change in this expectation.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

3. Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a combination of a Cash Fee and an Equity Element from the Company.

The Cash Fee is based upon the NAV as at the start of the quarter in question on the following basis:

- on that part of the then most recently announced NAV up to and including £500 million, an amount equal to 0.25 per cent of such part of the NAV;
- on that part of the then most recently announced NAV over £500 million and up to and including £1,000 million, an amount equal to 0.225 per cent of such part of the NAV; and
- on that part of the then most recently announced NAV over £1,000 million, an amount equal to 0.2 per cent of such part of the NAV.

The Equity Element is calculated quarterly in advance and has a value as set out below:

- on that part of the then most recently announced NAV up to and including £500 million, 0.05 per cent; and
- on that part of the then most recently announced NAV over £500 million up to and including £1,000 million, 0.025 per cent.

The ordinary shares issued to the Investment Manager under the Equity Element are subject to a 3 year lock up starting from the quarter in which they are due to be paid.

As at 31 December each year, the Cash Fee and Equity Element shall be subject to a true-up to the value that would have been deliverable had they been calculated quarterly in arrears.

Investment management fees paid or accrued in the year were as follows:

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Cash Fee	14,991	11,689
Equity Element	1,500	1,500
	16,491	**13,189**

The value of the Equity Element and the Cash Fee detailed in the table above include the true-up amount for the year calculated in accordance with the Investment Management Agreement.

4. Return on investments

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Dividends received (note 19)	139,498	108,613
Interest on shareholder loan investment received (note 19)	10,440	6,153
Unrealised movement in fair value of investments (note 9)	(61,672)	116,695
	88,266	**231,461**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

5. Operating expenses

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Management fees (note 3)	16,491	13,189
Group and SPV administration fees	715	621
Non-executive Directors' fees	323	233
Other expenses	2,440	1,038
Fees to the Company's Auditor:		
for audit of the statutory financial statements	90	77
for other audit related services	4	4
	20,063	**15,162**

The fees to the Company's Auditor include £3,700 (2018: £3,700) payable in relation to a limited review of the half year report. In addition to the above, BDO was paid £19,000 (2018: £nil) in relation to capital raises of the Company which was included in share issue costs. Total fees payable to BDO for non-audit services during the year were £22,700 (2018: £3,700).

6. Taxation

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
UK Corporation Tax credit	—	(1,703)
	—	**(1,703)**

The tax credit for the year shown in the Statement of Comprehensive Income is lower than the standard rate of corporation tax of 19 per cent (2018: 19 per cent). The differences are explained below.

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Profit for the year before taxation	43,294	200,678
Profit for the year multiplied by the standard rate of corporation tax of 19 per cent (2018: 19 per cent)	8,226	38,129
Fair value movements (not subject to taxation)	12,397	(22,172)
Dividends received (not subject to taxation)	(26,505)	(20,637)
Expenditure not deductible for tax purposes	2,109	1,997
Surrendering of tax losses to unconsolidated subsidiaries for nil consideration	3,773	2,683
Payments for current year losses surrendered	—	(219)
Payments for prior year losses surrendered	—	(1,484)
Total tax credit	**—**	**(1,703)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

7. Earnings per share

	For the year ended 31 December 2019	For the year ended 31 December 2018
Profit attributable to equity holders of the Company – £'000	43,294	202,381
Weighted average number of ordinary shares in issue	1,380,115,557	1,091,314,663
Basic and diluted earnings from continuing operations in the year (pence)	**3.14**	**18.54**

Dilution of the earnings per share as a result of the Equity Element of the investment management fee as disclosed in note 3 does not have a significant impact on the basic earnings per share.

8. Dividends declared with respect to the year

Interim dividends paid during the year ended 31 December 2019	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2018	1.690	19,126
With respect to the quarter ended 31 March 2019	1.735	21,427
With respect to the quarter ended 30 June 2019	1.735	26,324
With respect to the quarter ended 30 September 2019	1.735	26,329
	6.895	**93,206**

Interim dividends declared after 31 December 2019 and not accrued in the year	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2019	1.735	26,335
	1.735	**26,335**

On 31 January 2020, the Company announced a dividend of 1.735 pence per share with respect to the quarter ended 31 December 2019, bringing the total dividend declared with respect to the year to 31 December 2019 to 6.94 pence per share. The record date for the dividend was 14 February 2020 and the payment date is 28 February 2020.

The following table shows dividends paid in the prior year.

Interim dividends paid during the year ended 31 December 2018	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2017	1.6225	16,694
With respect to the quarter ended 31 March 2018	1.6900	17,394
With respect to the quarter ended 30 June 2018	1.6900	19,116
With respect to the quarter ended 30 September 2018	1.6900	19,121
	6.6925	**72,325**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

9. Investments at fair value through profit or loss

Group – for the year ended 31 December 2019	Loans £'000	Equity interest £'000	Total £'000
Opening balance	145,105	1,726,102	**1,871,207**
Additions	251,305	369,598	**620,903**
Repayment of shareholder loan investments (note 19)	(7,232)	—	**(7,232)**
Restructure of shareholder loan investments[1]	(32,056)	32,056	**—**
Unrealised movement in fair value of investments (note 4)	3,576	(65,248)	**(61,672)**
	360,698	**2,062,508**	**2,423,206**

[1] The following investments were restructured during the year:

- Clyde – The Group was allotted and issued with 71,503,017 A shares of £1 each in the capital of Clyde totalling £71,503,017, and the Group's net shareholder loan balance decreased by an equivalent amount;
- Crighshane and Church Hill – The Group received dividends in specie of £26,659,663 and £16,239,912 from its equity investments in Crighshane and Church Hill respectively, and the Group's net shareholder loan balances increased by an equivalent amount; and
- Douglas West – The Group's equity interest in Douglas West increased by £3,452,478, and the Group's net shareholder loan balance decreased by an equivalent amount.

Group – for the year ended 31 December 2018	Loans £'000	Equity interest £'000	Total £'000
Opening balance	114,559	1,291,165	**1,405,724**
Additions	45,945	318,688	**364,633**
Repayment of shareholder loan investments	(15,845)	—	**(15,845)**
Unrealised movement in fair value of investments (note 4)	446	116,249	**116,695**
	145,105	**1,726,102**	**1,871,207**

The unrealised movement in fair value of investments of the Group during the year and the prior year was made up as follows:

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
(Decrease)/increase in valuation of investments	(74,434)	89,119
Repayment of shareholder loan investments (note 19)	7,232	15,845
Shareholder loan interest and repayment from Douglas West	(901)	—
Movement in cash balances of SPVs	3,854	9,912
Acquisition costs[1]	2,577	1,819
	(61,672)	**116,695**

[1] £273k of acquisition costs were not related to investments acquired in the current year.

The movement in investments of the Company during the year and the prior year was made up as follows:

Company – for the year ended 31 December 2019	Loans £'000	Equity interest £'000	Total £'000
Opening balance	906,533	969,176	**1,875,709**
Loan advanced to Holdco (note 19)	593,895	—	**593,895**
Repayment of loan to Holdco (note 19)	(107,610)	—	**(107,610)**
Unrealised movement in fair value of investments	—	83,456	**83,456**
	1,392,818	**1,052,632**	**2,445,450**

Company – for the year ended 31 December 2018	Loans £'000	Equity interest £'000	Total £'000
Opening balance	672,517	738,861	**1,411,378**
Loan advanced to Holdco (note 19)	331,735	—	**331,735**
Repayment of loan to Holdco (note 19)	(97,719)	—	**(97,719)**
Unrealised movement in fair value of investments	—	230,315	**230,315**
	906,533	**969,176**	**1,875,709**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

9. Investments at fair value through profit or loss continued

Fair value measurements

IFRS 13 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following 3 levels:

- 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 assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The only financial instruments held at fair value are the instruments held by the Group in the SPVs, which are fair valued at each reporting date. The Group's investments have been classified within level 3 as the investments are not traded and contain unobservable inputs. The Company's investments are all considered to be level 3 assets. As the fair value of the Company's equity and loan investments in Holdco is ultimately determined by the underlying fair values of the SPV investments, the Company's sensitivity analysis of reasonably possible alternative input assumptions is the same as for the Group.

Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the year ended 31 December 2019.

Any transfers between the levels would be accounted for on the last day of each financial period.

Valuations are derived using a discounted cashflow methodology in line with IPEV Valuation Guidelines and take into account, inter alia, the following:

- due diligence findings where relevant;
- the terms of any material contracts including PPAs;
- asset performance;
- power price forecast from a leading market consultant; and
- the economic, taxation or regulatory environment.

The DCF valuation of the Group's investments represents the largest component of GAV and the key sensitivities are considered to be the discount rate used in the DCF valuation and assumptions in relation to inflation, energy yield, power price and asset life. The shareholder loan and equity investments are valued on a unit of account basis.

The base case discount rate is a blend of a lower discount rate for fixed cash flows and a higher discount rate for merchant cash flows. The underlying discount rates remained unchanged from 31 December 2018 to 30 June 2019, while the blended portfolio discount rate reduced from 8.1 per cent as at 31 December 2018 to 7.9 per cent as at 30 June 2019 as a result of the acquisition of newer assets in H1 2019 and a higher proportion of fixed cash flows. The underlying discount rates have subsequently been reduced (to reflect market valuations) such that the blended portfolio discount rate as at 31 December 2019 was 7.5 per cent.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

9. Investments at fair value through profit or loss continued

As there is no debt at wind farm level, the DCF valuation is produced by discounting the individual wind farm cashflows on an unlevered basis. The equivalent levered discount rate would be approximately 2 per cent higher than the unlevered discount rate.

The base case long term inflation assumption is 3.0 per cent (RPI) and 2.0 per cent (CPI).

Base case energy yield assumptions are P50 (50 per cent probability of exceedance) forecasts based on long term wind data and operational history. The P90 (90 per cent probability of exceedance over a 10 year period) and P10 (10 per cent probability of exceedance over a 10 year period) sensitivities reflect the future variability of wind and the uncertainty associated with the long term data source being representative of the long term mean.

Long term power price forecasts are provided by a leading market consultant, updated quarterly, and may be adjusted by the Investment Manager where more conservative assumptions are considered appropriate. Base case real power prices increase from £45/MWh (2020) to £48/MWh (2050). The sensitivity below assumes a 10 per cent increase or decrease in power prices relative to the base case for every year of the asset life.

The base case asset life is 30 years.

Sensitivity analysis

The fair value of the Group's investments is £2,423,206,232 (2018: £1,871,207,321). The analysis below is provided to illustrate the sensitivity of the fair value of investments to an individual input, while all other variables remain constant. The Board considers these changes in inputs to be within reasonable expected ranges. This is not intended to imply the likelihood of change or that possible changes in value would be restricted to this range.

Input	Base case	Change in input	Change in fair value of investments £'000	Change in NAV per share pence
Discount rate	7.5 per cent	+ 0.5 per cent	(81,366)	(5.4)
		- 0.5 per cent	86,406	5.7
Energy yield	P50	10 year P90	(142,911)	(9.4)
		10 year P10	142,866	9.4
Power price	Forecast by	- 10 per cent	(135,978)	(9.0)
	leading consultant	+ 10 per cent	135,390	8.9
Long term inflation rate	3.0 per cent (RPI)	- 0.5 per cent	(84,504)	(5.6)
	2.0 per cent (CPI)	+ 0.5 per cent	89,305	5.9
Asset life	30 years	- 5 years	(120,934)	(8.0)
		+ 5 years	99,509	6.6

The sensitivities above are assumed to be independent of each other. Combined sensitivities are not presented.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

10. Unconsolidated subsidiaries, associates and joint ventures

The following table shows subsidiaries of the Group. As the Company is regarded as an Investment Entity as referred to in note 1, these subsidiaries have not been consolidated in the preparation of the financial statements:

Investment	Place of Business	Ownership Interest as at 31 December 2019	Ownership Interest as at 31 December 2018
Bin Mountain	Northern Ireland[9]	100%	100%
Bishopthorpe	England[10]	100%	100%
Breeze Bidco[1]	Scotland[10]	100%	—
Brockaghboy	Northern Ireland[9]	100%	100%
Carcant	Scotland[11]	100%	100%
Church Hill	Northern Ireland[9]	100%	100%
Corriegarth	Scotland[11]	100%	100%
Corriegarth Holdings[2]	Scotland[11]	100%	100%
Cotton Farm	England[10]	100%	100%
Crighshane	Northern Ireland[9]	100%	100%
Crighshane & Church Hill Holdco[3]	Northern Ireland[9]	100%	100%
Crighshane & Church Hill Funding[3]	Northern Ireland[9]	100%	100%
Douglas West Holdco[4]	Scotland[11]	100%	—
Douglas West Wind Farm	Scotland[11]	100%	—
Earl's Hall Farm	England[10]	100%	100%
Kildrummy	Scotland[10]	100%	100%
Langhope Rig	Scotland[10]	100%	100%
Maerdy	Wales[10]	100%	100%
North Hoyle	Wales[10]	100%	100%
Screggagh	Northern Ireland[9]	100%	100%
Slieve Divena	Northern Ireland[9]	100%	100%
Stroupster	Scotland[10]	100%	100%
Tappaghan	Northern Ireland[9]	100%	100%
Bicker Fen	England[10]	80%	80%
Fenlands[5]	England[10]	80%	80%
Nanclach	Scotland[10]	75%	—
Nanclach Holdco[1]	Scotland[10]	75%	—
Nanclach Midco[1]	Scotland[10]	75%	—
Dunmaglass Holdco[6]	Scotland[10]	71.2%	—
Stronelairg Holdco[7]	Scotland[10]	71.2%	—
Drone Hill	Scotland[11]	51.6%	51.6%
North Rhins	Scotland[10]	51.6%	51.6%
Sixpenny Wood	England[10]	51.6%	51.6%
Yelvertoft	England[10]	51.6%	51.6%
SYND Holdco[8]	UK[10]	51.6%	51.6%

(1) The Group's investment in Nanclach is held through Breeze Bidco. The investment was previously held through Nanclach Holdco, which was held through Nanclach Midco, which was held through Breeze Bidco until 19 December 2019, at which point the investment was restructured. Nanclach Holdco and Nanclach Midco have entered a period of dormancy and will be dissolved during 2020.

(2) The Group's investment in Corriegarth is held through Corriegarth Holdings.

(3) The Group's investments in Crighshane and Church Hill are held directly by the Group. The investment was previously held through Crighshane & Church Hill Funding, which was held through Crighshane & Church Hill Holdco until 10 December 2019, at which point the investment was restructured. Crighshane & Church Hill Funding and Crighshane & Church Hill Holdco have entered a period of dormancy and will be dissolved during 2020.

(4) The Group's investment in Douglas West is held directly by the Group. The investment was previously held through Douglas West Holdco until 16 December 2019, at which point the investment was restructured. Douglas West Holdco has entered a period of dormancy and will be dissolved during 2020.

(5) The Group's investments in Deeping St. Nicholas, Glass Moor, Red House and Red Tile are held through Fenlands.

(6) The Group holds 71.2 per cent of Dunmaglass Holdco, which owns 49.9 per cent of Dunmaglass Wind Farm, resulting in the Group holding a 35.5 per cent indirect investment in Dunmaglass Wind Farm.

(7) The Group holds 71.2 per cent of Stronelairg Holdco, which owns 49.9 per cent of Stronelairg Wind Farm, resulting in the Group holding a 35.5 per cent indirect investment in Stronelairg Wind Farm.

(8) The Group's investments in Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco.

(9) The registered office address is The Innovation Centre, Northern Ireland Science Park, Belfast, BT3 9DT.

(10) The registered office address is 27-28 Eastcastle Street, London, England, W1W 8DH.

(11) The registered office address is Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

10. Unconsolidated subsidiaries, associates and joint ventures continued

There are no significant restrictions on the ability of the Group's unconsolidated subsidiaries to transfer funds in the form of cash dividends.

The following table shows associates and joint ventures of the Group which have been recognised at fair value as permitted by IAS 28 "Investments in Associates and Joint Ventures":

Investment	Place of Business	Ownership Interest as at 31 December 2019	Ownership Interest as at 31 December 2018
Braes of Doune	Scotland[2]	50%	50%
ML Wind[1]	England[3]	49%	49%
Little Cheyne Court	England[3]	41%	41%
Clyde	Scotland[4]	28.2%	28.2%
Rhyl Flats	Wales[3]	24.95%	24.95%

(1) The Group's investments in Middlemoor and Lindhurst are 49 per cent (2018: 49 per cent). These are held through ML Wind.

(2) The registered office address is Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

(3) The registered office address is Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6PB.

(4) The registered office address is Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

Loans advanced by Holdco to the investments are disclosed in note 19.

Guarantees and counter-indemnities provided by the Group on behalf of its investments are as follows:

Provider of security	Investment	Beneficiary	Nature	Purpose	Amount £'000
The Company	Douglas West	Vestas	Guarantee	Turbine supply	27,022
Holdco	Clyde	SSE	Counter-indemnity	Grid, radar, decommissioning	21,771
The Company	Rhyl Flats	The Crown Estate	Guarantee	Decommissioning	4,291
The Company	Braes of Doune	Land owner	Guarantee	Decommissioning	2,000
The Company	Tom nan Clach	RBS	Counter-indemnity	Decommissioning	1,348
The Company	Bishopthorpe	MOD	Guarantee	Radar	1,206
The Company	Stroupster	RBS	Counter-indemnity	Decommissioning	366
Holdco	Stronelairg	SSE	Guarantee	Grid	301
Holdco	Dunmaglass	SSE	Guarantee	Grid	201
The Company	Cotton Farm	Land owner	Guarantee	Decommissioning	165
The Company	Sixpenny Wood	Land owner	Guarantee	Community fund	150
The Company	Yelvertoft	Daventry District Council	Guarantee	Decommissioning	82
The Company	Langhope Rig	Barclays	Counter-indemnity	Decommissioning	81
The Company	Maerdy	Natural Resource Wales	Guarantee	Access rights to neighbouring land	n/a
The Company	North Hoyle	The Crown Estate	Guarantee	Decommissioning	n/a
					58,984

The fair value of these guarantees and counter-indemnities provided by the Group are considered to be £nil.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

11. Receivables

Group	31 December 2019 £'000	31 December 2018 £'000
VAT receivable	508	125
Prepayments	82	81
Other receivables	14	83
Amounts due as consideration for investee company tax losses	—	1,326
	604	**1,615**

Company	31 December 2019 £'000	31 December 2018 £'000
Prepayments	82	81
VAT receivable	—	19
	82	**100**

12. Payables

Group	31 December 2019 £'000	31 December 2018 £'000
Loan interest payable	2,516	2,070
Commitment fee payable	290	279
Other finance costs payable	25	18
Amounts due to SPVs (note 19)	1,343	—
VAT payable	1,032	—
Investment management fee payable	198	366
Acquisition costs payable	55	263
Other payables	302	443
	5,761	**3,439**

Company	31 December 2019 £'000	31 December 2018 £'000
Loan interest payable	2,516	2,070
Commitment fee payable	290	279
Other finance costs payable	25	18
Investment management fee payable	198	366
VAT payable	41	—
Other payables	270	302
	3,340	**3,035**

13. Loans and borrowings

Group and Company	31 December 2019 £'000	31 December 2018 £'000
Opening balance	480,000	265,000
Revolving credit facility		
Drawdowns	540,000	180,000
Repayments	(620,000)	(265,000)
Term debt facilities		
Drawdowns	200,000	300,000
Closing balance	**600,000**	**480,000**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

13. Loans and borrowings continued

Group and Company	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Loan interest	16,944	10,554
Facility arrangement fees	4,513	3,050
Commitment fees	1,317	633
Other facility fees	140	140
Professional fees	115	109
Finance expense	**23,029**	**14,486**

The loan balance as at 31 December 2019 has not been adjusted to reflect amortised cost, as the amounts are not materially different from the outstanding balances.

In relation to non-current loans and borrowings, the Board is of the view that the current market interest rate is not significantly different to the respective instrument's contractual interest rates, therefore the fair value of the non-current loans and borrowings at the end of the reporting periods is not significantly different from their carrying amounts.

On 1 February 2019, the Company amended and restated its revolving credit facility with RBS International, RBC and Santander comprising a £300 million tranche A facility with a refreshed 3 year tenor and a margin of 1.75 per cent per annum and a £225 million tranche B facility with a 1 year tenor, a margin of 1.50 per cent per annum and a commitment fee of 0.50 per cent per annum. The Company repaid and cancelled tranche B of the revolving credit facility following the equity raise on 5 June 2019. The Company is obliged to pay a quarterly commitment fee of 0.65 per cent per annum under tranche A of the revolving credit facility.

As at 31 December 2019, the balance of this facility was £nil (2018: £80,000,000), accrued interest was £nil (2018: £103,277) and the outstanding commitment fee payable was £290,274 (2018: £278,521).

During the year, the Company entered into new term debt arrangements with CBA and CIBC and amended the existing term debt arrangements with NAB, increasing the size of the facilities and lowering the margins. The Company's term debt facilities and associated interest rate swaps have various maturity dates, as set out in the below table:

Provider	Maturity date	Loan margin %	Swap fixed rate %	Loan principal £'000	Accrued interest at 31 December 2019 £'000
CBA	29 July 2022	1.65	1.9410	75,000	465
CBA	29 July 2022	1.65	1.2260	25,000	124
NAB	1 November 2023	1.20	1.4280	75,000	298
NAB	1 November 2023	1.20	0.7725	25,000	63
CBA	14 November 2024	1.35	0.8075	50,000	136
CBA	6 March 2025	1.55	1.5265	50,000	265
CIBC	3 November 2025	1.50	1.5103	100,000	454
NAB	1 November 2026	1.50	1.5980	75,000	351
NAB	1 November 2026	1.50	0.8425	25,000	75
CIBC	14 November 2026	1.40	0.81325	100,000	285
				600,000	**2,516**

These loans contain swaps that are contractually linked. Accordingly they have been treated as single fixed rate loan agreements which effectively set interest payable at fixed rates.

All borrowing ranks pari passu and is secured by a debenture over the assets of the Company, including its shares in Holdco, and a floating charge over Holdco's bank accounts.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

14. Contingencies and commitments

At the time of acquisition, wind farms which had less than 12 months' operational data may have had a wind energy true-up applied, whereby the purchase price for these wind farms may be adjusted up or down so that it is based on a 2 year operational record, once the operational data has become available.

During the year, the Group agreed the wind energy true-ups for Corriegarth and for Clyde Extension which, in each case, resulted in no net payment.

In March 2019, the Group completed its investment in Blue Energy's Douglas West project and has invested £14.0 million up to 31 December 2019 (including acquisition costs, excluding acquired cash). The Group intends to construct the wind farm, with operations scheduled to commence in July 2021 and a total expected investment in the region of £45 million.

In October 2019, the Group entered into an agreement to acquire the Glen Kyllachy wind farm project for a headline consideration of £57.5 million, with the investment scheduled to complete in October 2021, once the wind farm is fully operational.

In December 2019, the Group entered into agreements to acquire the Windy Rig and Twentyshilling wind farm projects for a combined headline consideration of £104 million. The investments are scheduled to complete in Q2 2021 and Q3 2021 respectively, once each wind farm is fully operational.

15. Share capital – ordinary shares of £0.01

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2019		**1,131,449,780**	**11,314**	**946,211**	**957,525**
Shares issued to the Investment Manager					
25 January 2019	True-up of 2018 and Q1 2019 Equity Element	272,110	3	372	**375**
3 May 2019	Q2 2019 Equity Element	304,440	3	372	**375**
31 July 2019	Q3 2019 Equity Element	304,504	3	372	**375**
5 November 2019	Q4 2019 Equity Element	305,106	3	372	**375**
		1,186,160	12	1,488	**1,500**
Other					
27 February 2019	Capital raise	102,946,483	1,029	129,713	**130,742**
27 February 2019	Less share issue costs	—	—	(1,868)	**(1,868)**
5 June 2019	Capital raise	281,954,887	2,820	372,180	**375,000**
5 June 2019	Less share issue costs	—	—	(5,506)	**(5,506)**
31 December 2019		**1,517,537,310**	**15,175**	**1,442,218**	**1,457,393**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

15. Share capital – ordinary shares of £0.01 continued

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2018		**1,028,514,652**	**10,285**	**828,526**	**838,811**
Shares issued to the Investment Manager					
1 February 2018	True-up of 2017 and Q1 2018 Equity Element	375,659	4	421	**425**
8 May 2018	Q2 2018 Equity Element	327,980	3	372	**375**
1 August 2018	Q3 2018 Equity Element	328,741	3	372	**375**
7 November 2018	Q4 2018 Equity Element	326,053	3	372	**375**
		1,358,433	13	1,537	**1,550**
Other					
22 May 2018	Capital raise	101,576,695	1,016	117,829	**118,845**
22 May 2018	Less share issue costs	—	—	(1,681)	**(1,681)**
31 December 2018		**1,131,449,780**	**11,314**	**946,211**	**957,525**

Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the shareholders are entitled to all of the residual assets of the Company.

Pursuant to the terms of the Investment Management Agreement, the Investment Manager receives an Equity Element as part payment of its investment management fee as disclosed in note 3 to the financial statements. The figures given in the table in note 3 include the true-up amount of the investment management fee for the periods calculated in accordance with the Investment Management Agreement and issued subsequent to 31 December 2019.

16. Net assets per share

Group and Company	31 December 2019	31 December 2018
Net assets – £'000	1,842,766	1,392,810
Number of ordinary shares issued	1,517,537,310	1,131,449,780
Total net assets – pence	**121.4**	**123.1**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

17. Notes supporting the Statement of Cash Flows

Reconciliation of operating profit for the year to net cash from operating activities

Group	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Operating profit for the year	66,323	215,164
Adjustments for:		
Movement in fair value of investments (notes 4 & 9)	61,672	(116,695)
Investment acquisition costs	2,850	1,910
(Increase)/decrease in receivables	(315)	182
Increase/(decrease) in payables	2,065	(1,620)
Equity Element of Investment Manager's fee (note 3)	1,500	1,500
Consideration for investee company tax losses	1,326	1,388
Net cash flows from operating activities	**135,421**	**101,829**

Company	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Operating profit for the year	66,323	216,867
Adjustments for:		
Movement in fair value of investments (note 9)	(83,456)	(230,315)
Non cash settlement of loans to Group companies	16,796	12,825
Decrease/(increase) in receivables	18	(15)
Decrease in payables	(159)	(175)
Equity Element of Investment Manager's fee (note 3)	1,500	1,500
Net cash flows from operating activities	**1,022**	**687**

Reconciliation of cash flows and non-cash flow changes in liabilities arising from financing activities

Group and Company	Loans and borrowings £'000	Other liabilities £'000
As at 1 January 2019	**480,000**	**2,321**
Cash flows (net)	120,000	(22,565)
Movements in Statement of Comprehensive Income (note 13)	—	23,029
As at 31 December 2019	**600,000**	**2,785**

Group and Company	Loans and borrowings £'000	Other liabilities £'000
As at 1 January 2018	**265,000**	**1,295**
Cash flows (net)	215,000	(13,460)
Movements in Statement of Comprehensive Income (note 13)	—	14,486
As at 31 December 2018	**480,000**	**2,321**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

18. Financial risk management

The Investment Manager and the Administrator report to the Board on a quarterly basis and provide information to the Board which allows it to monitor and manage financial risks relating to its operations. The Group's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk.

The Group's market risk is managed by the Investment Manager in accordance with the policies and procedures in place. The Group's overall market positions are monitored on a quarterly basis by the Board.

Price risk

Price risk is defined as the risk that the fair value of a financial instrument held by the Group will fluctuate. Investments are measured at fair value through profit or loss and are valued on an unlevered, discounted cashflow basis. Therefore, the value of these investments will be (amongst other risk factors) a function of the discounted value of their expected cashflows and, as such, will vary with movements in interest rates and competition for such assets. As disclosed in note 9, the discount factors are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different valuation for these investments.

Interest rate risk

The Group's interest rate risk on interest bearing financial assets is limited to interest earned on cash. The Group's only other exposure to interest rate risk is due to floating interest rates required to service external borrowings through the revolving credit facility. An increase of 1 per cent represents the Investment Manager's assessment of a reasonably possible change in interest rates. Should the LIBOR rate increase from 0.7 per cent to 1.7 per cent (2018: increase from 0.7 per cent to 1.7 per cent), the annual interest due on the facility would increase by £nil (2018: £800,000) on the basis that the revolving credit facility is £nil drawn. The Investment Manager regularly monitors interest rates to ensure the Group has adequate provisions in place in the event of significant fluctuations.

The associated interest rate swaps on amounts drawn under the CBA, CIBC and NAB term debt facilities effectively sets interest payable at a fixed rate for the full term of the loans, thereby mitigating the risks associated with the variability of cashflows arising from interest rate fluctuations.

The Board considers that, as shareholder loan investments bear interest at a fixed rate, they do not carry any interest rate risk.

The Group's interest and non-interest bearing assets and liabilities as at 31 December 2019 are summarised below:

	Interest bearing			
Group	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	24,717	**24,717**
Other receivables (note 11)	—	—	522	**522**
Investments (note 9)	360,698	—	2,062,508	**2,423,206**
	360,698	**—**	**2,087,747**	**2,448,445**
Liabilities				
Other payables (note 12)	—	—	(5,761)	**(5,761)**
Loans and borrowings (note 13)	(600,000)	—	—	**(600,000)**
	(600,000)	**—**	**(5,761)**	**(605,761)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

18. Financial risk management continued

Interest rate risk continued

The Group's interest and non-interest bearing assets and liabilities as at 31 December 2018 are summarised below:

Group	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	3,427	**3,427**
Other receivables (note 11)	—	—	1,534	**1,534**
Investments (note 9)	145,105	—	1,726,102	**1,871,207**
	145,105	**—**	**1,731,063**	**1,876,168**
Liabilities				
Other payables (note 12)	—	—	(3,439)	**(3,439)**
Loans and borrowings (note 13)	(400,000)	(80,000)	—	**(480,000)**
	(400,000)	**(80,000)**	**(3,439)**	**(483,439)**

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2019 are summarised below:

Company	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	574	**574**
Investments (note 9)	—	—	2,445,450	**2,445,450**
	—	**—**	**2,446,024**	**2,446,024**
Liabilities				
Other payables (note 12)	—	—	(3,340)	**(3,340)**
Loans and borrowings (note 13)	(600,000)	—	—	**(600,000)**
	(600,000)	**—**	**(3,340)**	**(603,340)**

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2018 are summarised below:

Company	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	36	**36**
Other receivables (note 11)	—	—	19	**19**
Investments (note 9)	—	—	1,875,709	**1,875,709**
	—	**—**	**1,875,764**	**1,875,764**
Liabilities				
Other payables (note 12)	—	—	(3,035)	**(3,035)**
Loans and borrowings (note 13)	(400,000)	(80,000)	—	**(480,000)**
	(400,000)	**(80,000)**	**(3,035)**	**(483,035)**

Foreign currency risk

Foreign currency risk is defined as the risk that the fair values of future cashflows will fluctuate because of changes in foreign exchange rates. The Group's financial assets and liabilities are denominated in GBP and substantially all of its revenues and expenses are in GBP. The Group is not considered to be materially exposed to foreign currency risk.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

18. Financial risk management continued

Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfil its contractual obligations. The Group is exposed to credit risk in respect of other receivables, cash at bank and loan investments. The Group's credit risk exposure is minimised by dealing with financial institutions with investment grade credit ratings and making loan investments which are equity in nature.

The table below details the Group's maximum exposure to credit risk:

Group	31 December 2019 £'000	31 December 2018 £'000
Other receivables (note 11)	522	1,534
Cash at bank	24,717	3,427
Loan investments (note 9)	360,698	145,105
	385,937	**150,066**

The table below details the Company's maximum exposure to credit risk:

Company	31 December 2019 £'000	31 December 2018 £'000
Other receivables (note 11)	—	19
Cash at bank	574	36
Loan investments (note 9)	1,392,818	906,533
	1,393,392	**906,588**

The table below shows the cash balances of the Group and the credit rating for each counterparty:

Group	Rating	31 December 2019 £'000	31 December 2018 £'000
RBS International	BBB	24,150	3,427
The Crown Estate	n/a	567	—
		24,717	**3,427**

The table below shows the cash balances of the Company and the credit rating for each counterparty:

Company	Rating	31 December 2019 £'000	31 December 2018 £'000
The Crown Estate	n/a	567	—
RBS International	BBB	7	36
		574	**36**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

18. Financial risk management continued

Liquidity risk

Liquidity risk is the risk that the Group and the Company may not be able to meet a demand for cash or fund an obligation when due. The Investment Manager and the Board continuously monitor forecast and actual cashflows from operating, financing and investing activities to consider payment of dividends, repayment of the Company's outstanding debt or further investing activities.

As disclosed in note 14, the purchase price of wind farms acquired which have less than 12 months' operational data, may be adjusted once 2 years of operational data becomes available.

The following tables detail the Group's expected maturity for its financial assets (excluding equity) and liabilities together with the contractual undiscounted cashflow amounts:

Group – 31 December 2019	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	522	—	—	**522**
Cash at bank	24,717	—	—	**24,717**
Loan investments (note 9)	—	—	360,698	**360,698**
Liabilities				
Other payables (note 12)	(5,761)	—	—	**(5,761)**
Loans and borrowings	(18,576)	(307,346)	(362,287)	**(688,209)**
	902	**(307,346)**	**(1,589)**	**(308,033)**

Group – 31 December 2018	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	1,534	—	—	**1,534**
Cash at bank	3,427	—	—	**3,427**
Loan investments (note 9)	—	—	145,105	**145,105**
Liabilities				
Other payables (note 12)	(3,439)	—	—	**(3,439)**
Loans and borrowings	(15,720)	(301,296)	(239,068)	**(556,084)**
	(14,198)	**(301,296)**	**(93,963)**	**(409,457)**

The shareholder loan investments are repayable on demand.

The following tables detail the Company's expected maturity for its financial assets (excluding equity) and liabilities together with the contractual undiscounted cashflow amounts:

Company – 31 December 2019	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Cash at bank	574	—	—	**574**
Loan investments (note 9)	—	—	1,392,818	**1,392,818**
Liabilities				
Other payables (note 12)	(3,340)	—	—	**(3,340)**
Loans and borrowings	(18,576)	(307,346)	(362,287)	**(688,209)**
	(21,342)	**(307,346)**	**1,030,531**	**701,843**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

18. Financial risk management continued

Liquidity risk continued

Company – 31 December 2018	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	19	—	—	**19**
Cash at bank	36	—	—	**36**
Loan investments (note 9)	—	—	906,533	**906,533**
Liabilities				
Other payables (note 12)	(3,035)	—	—	**(3,035)**
Loans and borrowings	(15,720)	(301,296)	(239,068)	**(556,084)**
	(18,700)	**(301,296)**	**667,465**	**347,469**

The Group and Company will use cashflow generation, equity placings, debt refinancing or disposal of assets to manage liabilities as they fall due in the longer term.

Capital risk management

The Company considers its capital to comprise ordinary share capital, distributable reserves and retained earnings. The Company is not subject to any externally imposed capital requirements.

The Group's and the Company's primary capital management objectives are to ensure the sustainability of its capital to support continuing operations, meet its financial obligations and allow for growth opportunities. Generally, acquisitions are anticipated to be funded with a combination of current cash, debt and equity.

19. Related party transactions

During the year, the Company increased its loan to Holdco by £593,895,404 (2018: £331,735,406) and Holdco settled amounts of £107,610,040 (2018: £97,719,585). The amount outstanding at the year end was £1,392,818,450 (31 December 2018: £906,533,086).

During the year, £742,228 (2018: £873,835) was received from Braes of Doune, £351,026 (2018: £nil) was received from North Rhins, £232,480 (2018: £97,374) was received from SYND Holdco and £nil (2018: £417,000) was received from Little Cheyne Court as compensation for corporation tax losses surrendered via consortium relief through the Group. There were no amounts due as at 31 December 2019 (2018: £742,228 due from Braes of Doune, £351,026 due from North Rhins and £232,480 due from SYND Holdco).

During the year, Holdco received £2,788,430 (2018: £2,655,957) in relation to renewables obligation proceeds on behalf of Bin Mountain, Carcant and Tappaghan. Amounts due to these investee companies as at 31 December 2019 were £1,342,894 (2018: £nil).

Under the terms of a Management Services Agreement with Holdco, the Company receives £800,000 per annum in relation to management and administration services. During the year, £800,000 (2018: £800,000) was paid from Holdco to the Company under this agreement and amounts due to the Company at the year end were £nil (2018: £nil).

Holdco has Management Service Agreements with Braes of Doune, Tappaghan, Bin Mountain, Carcant, Cotton Farm, Earl's Hall Farm, Kildrummy, Maerdy, North Rhins, Drone Hill, Sixpenny Wood and Yelvertoft for which Holdco receives £34,853 (2018: £33,937) per wind farm per annum, of which £11,618 (2018: £11,312) is payable to the Investment Manager in relation to administration and management services. Holdco has Management Service Agreements with Stroupster, Screggagh, Bishopthorpe, Corriegarth Holdings, Slieve Divena, North Hoyle, Langhope Rig, Brockaghboy, Crighshane, Church Hill, Douglas West and Tom nan Clach for which Holdco receives £46,470 (2018: £45,250) per wind farm per annum, of which £23,235 (2018: £22,625) is payable to the Investment Manager. Holdco also has Management Service Agreements with Bicker Fen and Fenlands for which Holdco receives £2,673 (2018: £2,603) per entity per annum, all of which is payable to the Investment Manager. Amounts due to Holdco in respect of these fees as at 31 December 2019 were £nil (2018: £nil).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

19. Related party transactions continued

The table below shows dividends receivable in the year from the Group's investments.

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Clyde	20,021	3,502
Corriegarth Holdings[1]	17,036	9,495
Brockaghboy	9,133	4,825
Fenlands[2]	8,104	9,600
SYND Holdco[3]	7,972	6,966
Stronelairg Holdco[4]	6,583	—
Stroupster	6,354	6,181
Rhyl Flats	5,788	6,686
ML Wind[5]	5,243	7,105
Braes of Doune	4,998	4,774
Tappaghan	4,632	4,633
Cotton Farm	4,102	4,147
Maerdy	4,000	4,879
Kildrummy	3,988	4,585
Crighshane & Church Hill Holdco[6]	3,667	—
Langhope Rig	3,558	3,431
Bishopthorpe	3,460	3,635
Dunmaglass Holdco[7]	3,452	—
Slieve Divena	3,182	3,043
North Hoyle	2,810	4,300
Little Cheyne Court	2,583	4,428
Earl's Hall Farm	2,516	2,837
Screggagh	2,129	2,488
Bicker Fen	1,904	3,936
Bin Mountain	1,420	1,711
Carcant	863	1,426
	139,498	**108,613**

(1) The Group's investment in Corriegarth is held through Corriegarth Holdings.

(2) The Group's investments in Deeping St. Nicholas, Glass Moor, Red House and Red Tile are held through Fenlands.

(3) The Group's investments in Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco.

(4) The Group's investment in Stronelairg is held through Stronelairg Holdco.

(5) The Group's investments in Middlemoor and Lindhurst are held through ML Wind.

(6) The Group's investments in Crighshane and Church Hill are held directly by the Group. The investment was previously held through Crighshane & Church Hill Funding, which was held through Crighshane & Church Hill Holdco until 10 December 2019, at which point the investment was restructured.

(7) The Group's investment in Dunmaglass is held through Dunmaglass Holdco.

The table below shows interest receivable in the year from the Group's shareholder loan investments.

	For the year ended 31 December 2019 £'000	For the year ended 31 December 2018 £'000
Clyde	5,781	6,153
Stronelairg	2,688	—
Dunmaglass	1,758	—
Douglas West	213	—
	10,440	**6,153**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2019

19. Related party transactions continued

The table below shows the Group's shareholder loans with the wind farm investments.

Wind Farm	Loans at 1 January 2019[1] £'000	Loans advanced in the year £'000	Loans restructured in the year £'000	Loan repayments in the year £'000	Loans at 31 December 2019 £'000	Accrued interest at 31 December 2019 £'000	Total £'000
Tom nan Clach	—	92,074	—	—	92,074	2,152	**94,226**
Stronelairg	—	92,756	—	(6,137)	86,619	1,310	**87,929**
Clyde[2]	143,006	—	(71,503)	—	71,503	1,070	**72,573**
Dunmaglass	—	57,271	—	(407)	56,864	860	**57,724**
Crighshane[3]	—	—	26,660	—	26,660	96	**26,756**
Church Hill[3]	—	—	16,240	—	16,240	59	**16,299**
Douglas West[4]	—	9,204	(3,453)	(688)	5,063	128	**5,191**
	143,006	**251,305**	**(32,056)**	**(7,232)**	**355,023**	**5,675**	**360,698**

(1) Excludes accrued interest at 31 December 2018 of £2,098,768.

(2) The Group's shareholder loan investment in Clyde was restructured during the year. The Group was allotted and issued with 71,503,017 A shares of £1 each in the capital of Clyde totalling £71,503,017, and the Group's net shareholder loan balance decreased by an equivalent amount.

(3) The Group's investments in Crighshane and Church Hill were restructured during the year. The Group received dividends in specie of £26,659,663 and £16,239,912 from its equity investments in Crighshane and Church Hill respectively, and the Group's net shareholder loan balances increased by an equivalent amount.

(4) The Group's investment in Douglas West was restructured during the year. The Group's equity interest in Douglas West increased by £3,452,478, and the Group's net shareholder loan balance decreased by an equivalent amount.

20. Ultimate controlling party

In the opinion of the Board, on the basis of the shareholdings advised to them, the Company has no ultimate controlling party.

21. Subsequent events

On 31 January 2020, the Company announced a dividend of £26.3 million, equivalent to 1.735 pence per share with respect to the quarter ended 31 December 2019, bringing the total dividend declared with respect to the year to 31 December 2019 to 6.94 pence per share. The record date for the dividend was 14 February 2020 and the payment date is 28 February 2020.

On 20 February 2020, the Group announced that it had entered into an agreement to acquire the 18.8MW ROC accredited Slieve Divena II wind farm from SSE for a headline consideration of £51 million. The transaction is expected to complete on 30 March 2020.

Company Information

Directors (all non-executive)
Tim Ingram (Chairman)
Shonaid Jemmett-Page
William Rickett C.B.
Martin McAdam
Lucinda Riches C.B.E.[1]
Caoimhe Giblin[2]
Dan Badger[3]

Investment Manager
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Administrator and Company Secretary
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Depositary
Estera Depositary (UK) Limited
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Registered Company Number
08318092

Registered Office
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Registered Auditor
BDO LLP
150 Aldersgate Street
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EC1A 4AB

Broker
RBC Capital Markets
Riverbank House
2 Swan Lane
London
EC4R 3BF

Registrar
Computershare[4]
The Pavilions
Bridgewater Road
Bristol
BS99 6ZZ

(1) Appointed with effect from 1 May 2019.
(2) Appointed with effect from 1 September 2019.
(3) Resigned with effect from 31 July 2019.
(4) Appointed with effect from 15 July 2019.

Supplementary Information (unaudited)

Under the Alternative Investment Fund Manager Regulations 2013 (as amended) the Company is a UK AIF and the Investment Manager is a full scope UK AIFM.

Estera Depositary (UK) Limited provides depositary services under the AIFMD.

The AIFMD outlines the required information which has to be made available to investors prior to investing in an AIF and directs that material changes to this information be disclosed in the Annual Report of the AIF. There were no material changes in the year.

All information required to be disclosed under the AIFMD is either disclosed in this Annual Report or is detailed within a schedule of disclosures on the Company's website at www.greencoat-ukwind.com.

The Investment Manager covers the potential professional liability risks resulting from its activities by holding professional indemnity insurance in accordance with Article 9(7)(b) of AIFMD.

The information in this paragraph relates to the Investment Manager, the AIFM, and its subsidiary company providing services to the AIFM and it does not relate to the Company. The total amount of remuneration paid by the Investment Manager, in its capacity as AIFM, to its 49 staff for the financial year ending 31 December 2019 was £8.9 million, consisting of £6.6 million fixed and £2.3 million variable remuneration. The aggregate amount of remuneration for the 5 staff members of the Investment Manager constituting senior management and those staff whose actions have a material impact on the risk profile of the Company was £0.9 million.

Defined Terms

Aggregate Group Debt means the Group's proportionate share of outstanding third party borrowings

AGM means Annual General Meeting of the Company

AIC means the Association of Investment Companies

AIC Code means the AIC's Code of Corporate Governance

AIF means an Alternative Investment Fund as defined under the AIFMD

AIFM means an Alternative Investment Fund Manager as defined under the AIFMD

AIFMD means the Alternative Investment Fund Managers Directive

BDO LLP means the Company's Auditor as at the reporting date

Bicker Fen means Bicker Fen Windfarm Limited

Bin Mountain means Bin Mountain Wind Farm (NI) Limited

Bishopthorpe means Bishopthorpe Wind Farm Limited

Board means the Directors of the Company

Braes of Doune means Braes of Doune Wind Farm (Scotland) Limited

Breeze Bidco means Breeze Bidco (TNC) Limited

Brockaghboy means Brockaghboy Windfarm Limited

Carcant means Carcant Wind Farm (Scotland) Limited

Cash Fee means the cash fee that the Investment Manager is entitled to under the Investment Management Agreement

CBA means Commonwealth Bank of Australia

CFD means Contract For Difference between an electricity generator and Low Carbon Contracts Company

Church Hill means Church Hill Wind Farm Limited

CIBC means Canadian Imperial Bank of Commerce

Clyde means Clyde Wind Farm (Scotland) Limited

Clyde Extension means the Clyde extension wind farm developed by SSE adjacent to the original Clyde wind farm

Company means Greencoat UK Wind PLC

Corriegarth means Corriegarth Wind Energy Limited

Corriegarth Holdings means Corriegarth Wind Energy Holdings Limited

Cotton Farm means Cotton Farm Wind Farm Limited

CPI means the Consumer Price Index

Crighshane means Crighshane Wind Farm Limited

Crighshane & Church Hill Funding means Crighshane and Church Hill Funding Limited

Crighshane & Church Hill Holdco means Crighshane and Church Hill Holdco Limited

DCF means Discounted Cash Flow

Deeping St. Nicholas means Deeping St. Nicholas wind farm

Douglas West means Douglas West Holdco and Douglas West Wind Farm

Douglas West Holdco means Douglas West Holdco Limited

Douglas West Wind Farm means Douglas West Wind Farm Limited

Drone Hill means Drone Hill Wind Farm Limited

DTR means the Disclosure Guidance and Transparency Rules sourcebook issued by the Financial Conduct Authority

Dunmaglass means Dunmaglass Holdco and Dunmaglass Wind Farm

Dunmaglass Holdco means Greencoat Dunmaglass Holdco Limited

Dunmaglass Wind Farm means Dunmaglass Wind Farm Limited

Earl's Hall Farm means Earl's Hall Farm Wind Farm Limited

Defined Terms continued

Equity Element means the ordinary shares issued to the Investment Manager under the Investment Management Agreement

EU means the European Union

Fenlands means Fenland Windfarms Limited

FRC means the Financial Reporting Council

GAV means Gross Asset Value

Glass Moor means Glass Moor wind farm

Group means Greencoat UK Wind PLC and Greencoat UK Wind Holdco Limited

Holdco means Greencoat UK Wind Holdco Limited

IAS means International Accounting Standard

IFRS means International Financial Reporting Standards

Investment Management Agreement means the agreement between the Company and the Investment Manager

Investment Manager means Greencoat Capital LLP

IPEV Valuation Guidelines means the International Private Equity and Venture Capital Valuation Guidelines

IRR means Internal Rate of Return

Kildrummy means Kildrummy Wind Farm Limited

KPI means Key Performance Indicator

Langhope Rig means Langhope Rig Wind Farm Limited

Lindhurst means Lindhurst Wind Farm

Listing Rules means the listing rules made by the UK Listing Authority under Section 73A of the Financial Services and Markets Act 2000

Little Cheyne Court means Little Cheyne Court Wind Farm Limited

Maerdy means Maerdy Wind Farm Limited

Middlemoor means Middlemoor Wind Farm

ML Wind means ML Wind LLP

NAB means National Australia Bank

Nanclach means Nanclach Limited

Nanclach Holdco means Nanclach Holdco Limited

Nanclach Midco means Nanclach Midco Limited

NAV means Net Asset Value

NAV per Share means the Net Asset Value per Ordinary Share

North Hoyle means North Hoyle Wind Farm Limited

North Rhins means North Rhins Wind Farm Limited

PFI means Private Finance Initiative

PPA means Power Purchase Agreement entered into by the Group's wind farms

RBC means the Royal Bank of Canada

RBS means the Royal Bank of Scotland PLC

RBS International means the Royal Bank of Scotland International Limited

Red House means Red House wind farm

Red Tile means Red Tile wind farm

Review Section means the front end review section of this report (including but not limited to the Chairman's Statement, Strategic Report, Investment Manager's Report and Report of the Directors)

Rhyl Flats means Rhyl Flats Wind Farm Limited

ROC means Renewable Obligation Certificate

RPI means the Retail Price Index

Santander means Santander Global Banking and Markets

Screggagh means Screggagh Wind Farm Limited

Sixpenny Wood means Sixpenny Wood Wind Farm Limited

Slieve Divena means Slieve Divena Wind Farm Limited

SPVs means the Special Purpose Vehicles which hold the Group's investment portfolio of underlying wind farms

Defined Terms continued

Stronelairg means Stronelairg Holdco and Stronelairg Wind Farm

Stronelairg Holdco means Greencoat Stronelairg Holdco Limited

Stronelairg Wind Farm means Stronelairg Wind Farm Limited

Stroupster means Stroupster Caithness Wind Farm (Scotland) Limited

SYND Holdco means SYND Holdco Limited

Tappaghan means Tappaghan Wind Farm (NI) Limited

Tom nan Clach means Breeze Bidco, Nanclach, Nanclach Holdco and Nanclach Midco

TSR means Total Shareholder Return

UK means the United Kingdom of Great Britain and Northern Ireland

UK Code means the UK Corporate Governance Code issued by the FRC

Yelvertoft means Yelvertoft Wind Farm Limited

Cautionary Statement

The Review Section of this report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Manager concerning, amongst other things, the investment objectives and Investment Policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Manager expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This Annual Report has been prepared for the Company as a whole and therefore gives greater emphasis to those matters which are significant in respect of Greencoat UK Wind PLC and its subsidiary undertakings when viewed as a whole.

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