Greencoat UK Wind PLC

Annual Report

For the year ended 31 December 2022

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All capitalised terms are defined in the list of defined terms on pages 117 to 119 unless separately defined.

GREENCOAT UK WIND

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 cash flow.

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 4,362GWh of renewable electricity.
- Net cash generation (Group and wind farm SPVs) was £560.1 million.
- Acquisition of Twentyshilling and a net 12.5 per cent stake in Hornsea 1 increased the portfolio to 45 operating wind farm investments and net generating capacity to 1,610MW as at 31 December 2022.
- The Company declared total dividends of 7.72 pence per share with respect to the year and is targeting a dividend of 8.76 pence per share for 2023 (increased in line with December 2022 RPI).
- Aggregate Group Debt of £1,780 million as at 31 December 2022, equivalent to 31 per cent of GAV.

Key Metrics

	As at 31 December 2022	As at 31 December 2021
Market capitalisation	£3,523.5 million	£3,257.8 million
Share price	152.0 pence	140.6 pence
Dividends with respect to the year	£178.9 million	£148.0 million
Dividends with respect to the year per share	7.72 pence	7.18 pence
GAV*	£5,652.7 million	£4,043.7 million
NAV*	£3,873.2 million	£3,093.7 million
NAV per share*	167.1 pence	133.5 pence
NAV movement per share (adjusting for dividends)*	33.5 pence	11.3 pence
Total return (NAV)*	31.3 per cent	15.4 per cent
TSR*	13.5 per cent	10.7 per cent
CO_2 emissions avoided per annum*	2.0 million tonnes	1.7 million tonnes
Homes powered per annum*	1.8 million homes	1.5 million homes
Funds invested in community projects in the year	£4.0 million	£3.0 million

* Alternative Performance Measures as defined on page 120.

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 £100 billion worth 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 is important to ensure a high level of cash flow 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 2022.

Performance

2022 was another significant year for the Company with £1,184 million invested and 4,362GWh of renewable electricity generated.

During the year, portfolio generation was 5 per cent below budget as a result of lower wind in the second half of the year but power prices were well above budget, primarily reflecting high gas prices. Net cash generated by the Group and wind farm SPVs was £560.1 million, providing cover of 3.2x on £175.8 million of dividends paid in the year. The Company has reinvested over £340 million of excess cash generation during the year.

By the end of 2022, the portfolio was generating sufficient electricity to power 1.8 million homes and avoiding CO_2 emissions of approximately 2.0 million tonnes per annum through the displacement of thermal generation.

Dividends and Returns

Declared dividends for the year total 7.72 pence per share, with the fourth and final quarterly dividend of 1.93 pence per share to be paid on 24 February 2023. With our continuing strong cash flow and dividend cover we can confidently target a dividend of 8.76 pence per share with respect to 2023, increased in line with December's RPI of 13.4 per cent.

The Total Shareholder Return for the year was 13.5 per cent.

NAV per share increased from 131.7 pence per share (ex dividend) on 31 December 2021 to 165.2 pence per share (ex dividend) on 31 December 2022, an increase of 33.5 pence (25.4 per cent) during the year. Approximately half of the increase in NAV per share is attributable to strong cash generation in the year and half is attributable to an increase in the portfolio valuation, reflecting higher power prices and higher inflation, offset by an increase in the discount rate. Since listing, NAV per share has increased by significantly more than RPI, as can be seen on the chart on page 16.

Given the increase in interest rates, the Company increased its discount rate twice during the year to a level that is similar to that which applied at listing a decade ago. As at 31 December 2022, the blended portfolio discount rate was 8.0 per cent. This is an unlevered discount rate and is therefore different to the discount rates quoted by peers. The equivalent levered discount rate (assuming 30 per cent gearing) is approximately 10 per cent, which delivers a net return to investors of approximately 9 per cent. Consequently, given this greater return, the Company has been and is able to grow NAV per share significantly more than its peers in addition to generating a similar dividend yield.

Investment

In June, we completed our £51.2 million acquisition of Twentyshilling. This followed our acquisition of Windy Rig in December 2021. Both wind farms were acquired from Statkraft once they were operational, following commitments made in 2019. Given current and forecast high power prices, we expect these investments in fully merchant wind farms to continue to perform well.

In August, we acquired a net 12.5 per cent stake in Hornsea 1, a 1,200MW offshore wind farm. Hornsea 1 is our largest single investment (£1.1 billion, 19 per cent of our portfolio) and provides great stability to our cash flows through its index linked CFD revenues.

During the year, we also provided a further £27.4 million of construction finance to the Kype Muir Extension wind farm project.

We look forward to adding both Kype Muir Extension and South Kyle to our portfolio in Q2 2023.

Gearing

As at 31 December 2022, Aggregate Group Debt was £1,780 million, equating to 31 per cent of GAV (limit 40 per cent). Debt outstanding comprised £900 million of fixed rate term debt at Company level, £200 million drawn under the Company's revolving credit facility and £680 million being the Group's share of limited recourse debt in Hornsea 1.

Chairman's Statement continued

Outlook and Strategy

Wind continues to be the most mature and widely deployed renewable energy technology in the UK (27 per cent of GB electricity generation in 2022) with an offshore wind target of 50GW for 2030 being an important Government target in the delivery of 2050 net zero emissions targets. At the same time, the Government has tried to reduce the effect of very high gas and power prices that resulted from Russia's invasion of Ukraine that have exacerbated the "cost of living crisis" by introducing a levy on electricity generators at 45 per cent above an index linked £75/MWh from 1 January 2023. It is likely that the Group will pay more tax over the next few years which will help to lower the cost to consumers.

Throughout 2022, we discounted forecast power prices significantly given their volatility and also given the risk of Government intervention. As the details of the Electricity Generator Levy are now known and forecast future power prices are now lower, the discount that we are applying has been reduced appropriately. This approach has enabled us not just to maintain NAV from Q3 to Q4, as our peers have mostly managed, but to increase it as the discount unwinds.

Our Investment Objective has remained unchanged over the last 10 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 and maintaining a balanced exposure to power prices. Our intention remains to adhere 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 raisings following acquisitions provide additional opportunity for shareholders to increase their investment in the Company;
- these equity raisings are priced at a premium to NAV per share thus enhancing overall NAV per share for existing shareholders; and
- equity raisings increase the liquidity of shares in the market.

Significantly, during 2022 we invested £1.1 billion into Hornsea 1, one of the largest offshore wind farms in the world, increasing the proportion of offshore wind to 44 per cent of the portfolio and also invested £79 million into Twentyshilling and Kype Muir Extension, both subsidy free wind farms. The Group reinvested £340 million during the year, which is expected to contribute to further build-out of renewables capacity in the UK. We expect to continue to see a range of attractive CFD (largely offshore) and subsidy free assets within our significant acquisition pipeline alongside 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 cash flow and 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.

Health and Safety and the Environment

As a responsible investor in operating wind farms, the Company takes its health and safety responsibilities very seriously. We work with our Investment Manager to promote the highest standard of health, safety and environmental management practices in managing our portfolio of investments. Detailed key performance indicators and the results of audits are regularly reviewed by the Board and action taken where necessary. We continue to monitor the standards maintained by the operators of our wind farm investments, to ensure that these are at least in line with the wider industry, while seeking continuous improvement.

Climate Change

As a Company investing in wind farms, our strategy and activities naturally make a positive contribution toward the worldwide goal of achieving a net zero carbon emissions economy and limiting global warming to 1.5°C. Detailed disclosures can be found in the Strategic Report on pages 29 to 32.

Chairman's Statement continued

The Board and Governance

At the AGM, I will retire from the Board and Lucinda Riches C.B.E. will become the new Chairman, with Nick Winser C.B.E. also taking over the role as the Company's Senior Independent Director.

I am the last of the original Board and have greatly enjoyed my role in helping build a Company that started a new sector and has been so influential in enabling fresh capital to come into that sector, building out so much new renewable generating capacity as a consequence of doing so. I leave the Company in very good hands and will look forward to watching its progress as an interested observer.

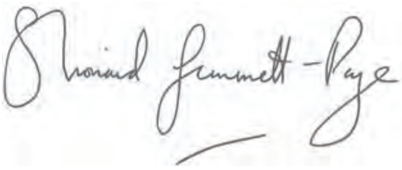
The external evaluation of the Board raised no significant issues.

The Group's governance is further described in the Corporate Governance Report on pages 44 to 49.

Annual General Meeting

Our AGM will take place at 2pm on 28 April 2023 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.



Shonaid Jemmett-Page
Chairman

22 February 2023

Braes of Doune

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 the Company's listing in March 2013, the investment management team has been led by Stephen Lilley and Laurence Fumagalli.

In April, Schroders plc completed the acquisition of a 75 per cent interest in the Investment Manager. The Investment Manager continues to operate as an independent business as part of Schroders Capital, the private markets division of Schroders plc. Schroders plc is a global asset manager and wealth manager, which delivers a broad range of investments for institutions, intermediaries and high net worth individuals, with AUM of over £700 billion.

Investment Manager's Report continued

Investment Portfolio

Operating portfolio as at 31 December 2022:

Wind Farm	Turbines	Operator	PPA	Total MW	Ownership Stake	Net MW
Andershaw	Vestas	Statkraft	Statkraft	35.0	100%	35.0
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	BayWa	Erova	72.0	100%	72.0
Brockaghboy	Nordex	SSE	SSE	47.5	100%	47.5
Burbo Bank Extension	Vestas	Orsted	CFD	258.0	15.7%	40.4
Carcant	Siemens	BayWa	Axpo	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	EnergyPro	Centrica	69.5	100%	69.5
Cotton Farm	Senvion	EnergyPro	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
Douglas West	Vestas	Natural Power	BT	45.0	100%	45.0
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	EnergyPro	Sainsbury's	10.3	100%	10.3
Glass Moor	Senvion	EDF	EDF	16.4	80%	13.1
Glen Kyllachy	Nordex	Natural Power	Tesco	48.5	100%	48.5
Hornsea 1	Siemens	Orsted	CFD	1,200.0	12.5%	150.0
Humber Gateway	Vestas	RWE	RWE	219.0	37.8%	82.8
Kildrummy	Enercon	EnergyPro	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	BayWa	Statkraft	24.0	100%	24.0
Middlemoor	Vestas	RWE	RWE	54.0	49%	26.5
North Hoyle	Vestas	RWE	Erova	60.0	100%	60.0
North Rhins	Vestas	BayWa	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
Slieve Divena 2	Enercon	SSE	SSE	18.8	100%	18.8
Stronelairg	Vestas	SSE	SSE	227.7	35.5%	80.9
Stroupster	Enercon	EnergyPro	BT	29.9	100%	29.9
Tappaghan	GE	SSE	SSE	28.5	100%	28.5
Tom nan Clach	Vestas	Natural Power	CFD	40.0	75%	30.0
Twentyshilling	Vestas	Statkraft	Statkraft	37.8	100%	37.8
Walney	Siemens	Orsted	Total	367.2	25.1%	92.2
Windy Rig	Vestas	Statkraft	Statkraft	43.2	100%	43.2
Yelvertoft	Senvion	BayWa	Statkraft	16.4	51.6%	8.5
Total						**1,609.8**

Investment Manager's Report continued

Investment Portfolio continued

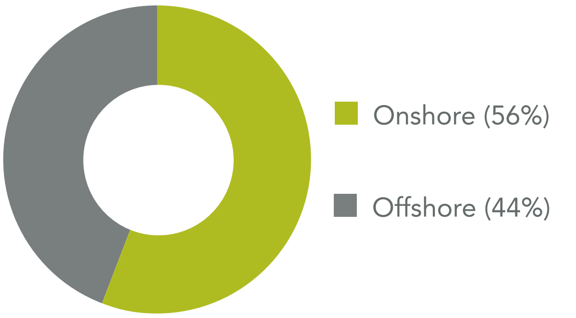
1 Andershaw	**13** Crighshane	**25** Lindhurst	**37** Slieve Divena 2
2 Bicker Fen	**14** Douglas West	**26** Little Cheyne Court	**38** Stronelairg
3 Bin Mountain	**15** Deeping St. Nicholas	**27** Maerdy	**39** Stroupster
4 Bishopthorpe	**16** Drone Hill	**28** Middlemoor	**40** Tappaghan
5 Braes of Doune	**17** Dunmaglass	**29** North Hoyle	**41** Tom nan Clach
6 Brockaghboy	**18** Earl's Hall Farm	**30** North Rhins	**42** Twentyshilling
7 Burbo Bank Extension	**19** Glass Moor	**31** Red House	**43** Walney
8 Carcant	**20** Glen Kyllachy	**32** Red Tile	**44** Windy Rig
9 Church Hill	**21** Hornsea 1	**33** Rhyl Flats	**45** Yelvertoft
10 Clyde	**22** Humber Gateway	**34** Screggagh	
11 Corriegarth	**23** Kildrummy	**35** Sixpenny Wood	
12 Cotton Farm	**24** Langhope Rig	**36** Slieve Divena	

Investment Manager's Report continued

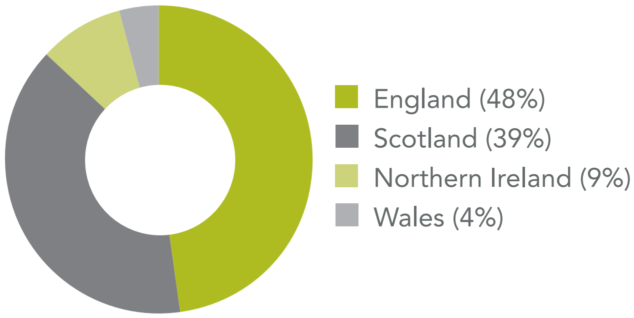
Investment Portfolio continued

Breakdown of operating portfolio by value as at 31 December 2022:

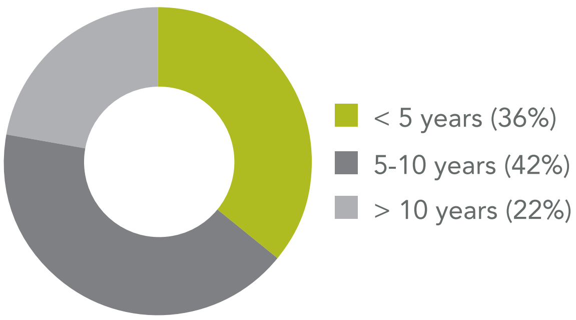
Onshore/Offshore



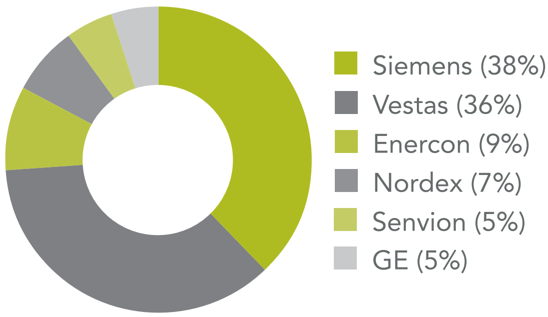
Geography



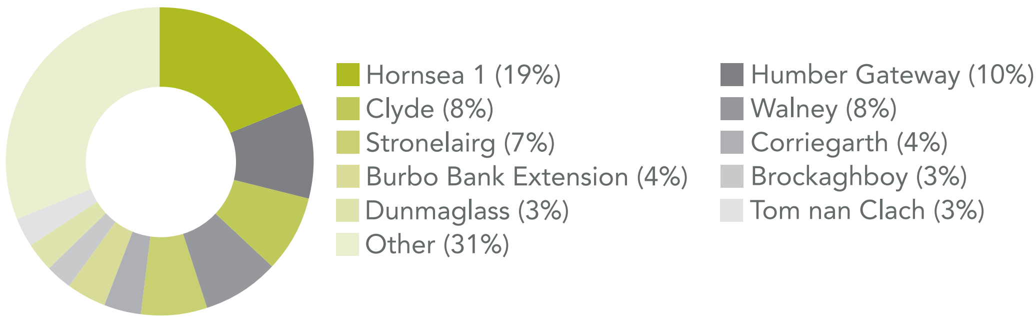
Asset Age



Turbine Manufacturer



Assets



Investment Manager's Report continued

Portfolio Performance

Portfolio generation for the year was 4,362GWh, 5 per cent below budget.

Portfolio generation was slightly above budget for the first half of the year, but fell below budget in the second half of the year as a result of low wind.

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%
2020	+2%	-3%
2021	-12%	-20%
2022	-5%	-5%

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).

Hornsea 1

Investment Manager's Report continued

Portfolio Performance continued

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

Wind Farm	Annual Budget (GWh)	2022 Budget (GWh)	2022 Actual (GWh)	Variance
Andershaw	105.5	105.5	107.8[1]	2%
Bicker Fen	44.3	44.3	41.1	-7%
Bin Mountain	23.4[5]	23.2	20.4	-12%
Bishopthorpe	50.6	50.6	44.5	-12%
Braes of Doune	167.8	167.8	165.4[1]	-1%
Brockaghboy	156.0	156.0	143.5	-8%
Burbo Bank Extension	155.0	150.2[4]	133.2	-11%
Carcant	17.1	17.1	18.0	5%
Church Hill	37.1	37.1	35.8	-4%
Clyde	452.3[5]	436.6[4]	427.8[1]	-2%
Corriegarth	216.2	216.2	192.1[1]	-11%
Cotton Farm	51.0	51.0	43.0	-16%
Crighshane	59.7	59.7	59.2	-1%
Deeping St. Nicholas	29.6	29.6	29.1	-2%
Douglas West	129.2	129.2	127.4[1]	-1%
Drone Hill	30.3	30.3	30.1	-1%
Dunmaglass	129.9	129.9	120.9[1]	-7%
Earl's Hall Farm	31.9	31.9	25.4	-20%
Glass Moor	28.8	28.8	25.5	-12%
Glen Kyllachy	145.7	145.7	155.5[1]	7%
Hornsea 1	657.5	241.6[2]	245.7[1]	2%
Humber Gateway	320.4	320.4	307.7	-4%
Kildrummy	55.6	55.6	49.6	-11%
Langhope Rig	47.1[5]	46.7	42.2	-9%
Lindhurst	11.5	11.5	10.6	-8%
Little Cheyne Court	61.0	61.0	53.2	-13%
Maerdy	63.1	63.1	55.2	-12%
Middlemoor	68.3	68.3	65.8	-4%
North Hoyle	185.8	185.8	165.8	-11%
North Rhins	37.8	37.8	36.7[1]	-3%
Red House	22.4[5]	21.8	19.8	-9%
Red Tile	42.0	42.0	39.1	-7%
Rhyl Flats	70.3	70.3	67.2	-4%
Screggagh	44.4[5]	44.3	41.3	-7%
Sixpenny Wood	28.5	28.5	25.7	-10%
Slieve Divena	54.9	54.9	50.3	-8%
Slieve Divena 2	48.7	48.7	47.3	-3%
Stronelairg	302.6	302.6	283.7[1]	-6%
Stroupster	94.9	94.9	83.3	-12%
Tappaghan	68.6[5]	68.0	60.7	-11%
Tom nan Clach	121.8	121.8	130.0[1]	7%
Twentyshilling	125.6	59.7[3],[4]	56.6[1]	-5%
Walney	355.6	355.6	327.3	-8%
Windy Rig	138.5	138.5	133.3[1]	-4%
Yelvertoft	21.7	21.7	18.5	-15%
Total	**5,109.8**	**4,605.5**	**4,362.0**	**-5%**

(1) Includes curtailed generation.

(2) Generation from September to December 2022.

(3) Generation from July to December 2022.

(4) 2022 budget reduced to reflect scheduled grid outages (Clyde), major component replacements (Burbo Bank Extension) and grid load management (Twentyshilling).

(5) Annual budget increased to reflect turbine upgrades (Bin Mountain, Clyde, Langhope Rig, Screggagh and Tappaghan) and reduced electrical losses (Red House).

Investment Manager's Report continued

Portfolio Performance continued

Notable issues affecting portfolio availability were:

- a blade failure at Windy Rig;
- long duration outages at Corriegarth due to generator issues and a shortage of skilled technicians;
- various stops due to major component replacements and delays in spares procurement at Burbo Bank Extension;
- various pitch motor exchanges and generator issues at Dunmaglass; and
- work scheduling issues affecting availability of parts and technicians at Cotton Farm, Earl's Hall Farm and Yelvertoft.

In general, the portfolio performed well and in line with expectations.

During the year, the Investment Manager ran a tender for operational management services at Corriegarth, Cotton Farm, Earl's Hall Farm, Kildrummy and Stroupster. As a result, new Operational Management Agreements were entered into with EnergyPro Asset Management.

Health and Safety and the Environment

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

The Investment Manager is an active member of SafetyOn, the UK's leading health and safety focused organisation for the onshore wind industry. The Investment Manager also has its own health and safety forum, chaired by Stephen Lilley, where best practice is discussed and key learnings from incidents from across the industry are shared.

During the year, routine health and safety audits were conducted across 20 sites by an independent consultant. In addition, the Investment Manager undertook 90 safety walks. No material areas of concern were identified from all audits and safety walks performed in the year.

The Company has continued to contribute to local community funds and to invest in a range of local environmental and social projects. In addition, the Investment Manager explored ways to provide grant funding to academic research and non-profit projects to develop the industry's knowledge on wind turbine blade recycling, and we have launched a £250,000 programme to advance knowledge on blade recycling, repurposing and recovery, as well as associated skills development in this area.

During the year, the portfolio generated sufficient electricity to power 1.5 million homes and avoided CO_2 emissions of approximately 1.7 million tonnes through the displacement of thermal generation.

Investment Manager's Report continued

Investment

During the year, the Investment Manager priced 42 wind farms totalling 2,297MW. Of the 42 wind farms priced, 1 new investment was made by the Group (Hornsea 1), 1 was acquired by another buyer, 6 are no longer being pursued by the Group, and 34 are subject to continuing discussions. In total, secondary market transactions comprising 27 UK wind farms were completed in 2022.

The following table lists investments in the year to 31 December 2022:

	£m
Kype Muir Extension (construction finance)	27.4
Windy Rig (deferred consideration)	3.1
Twentyshilling	51.2
Hornsea 1	1,101.9[(1)]
Total	**1,183.6**

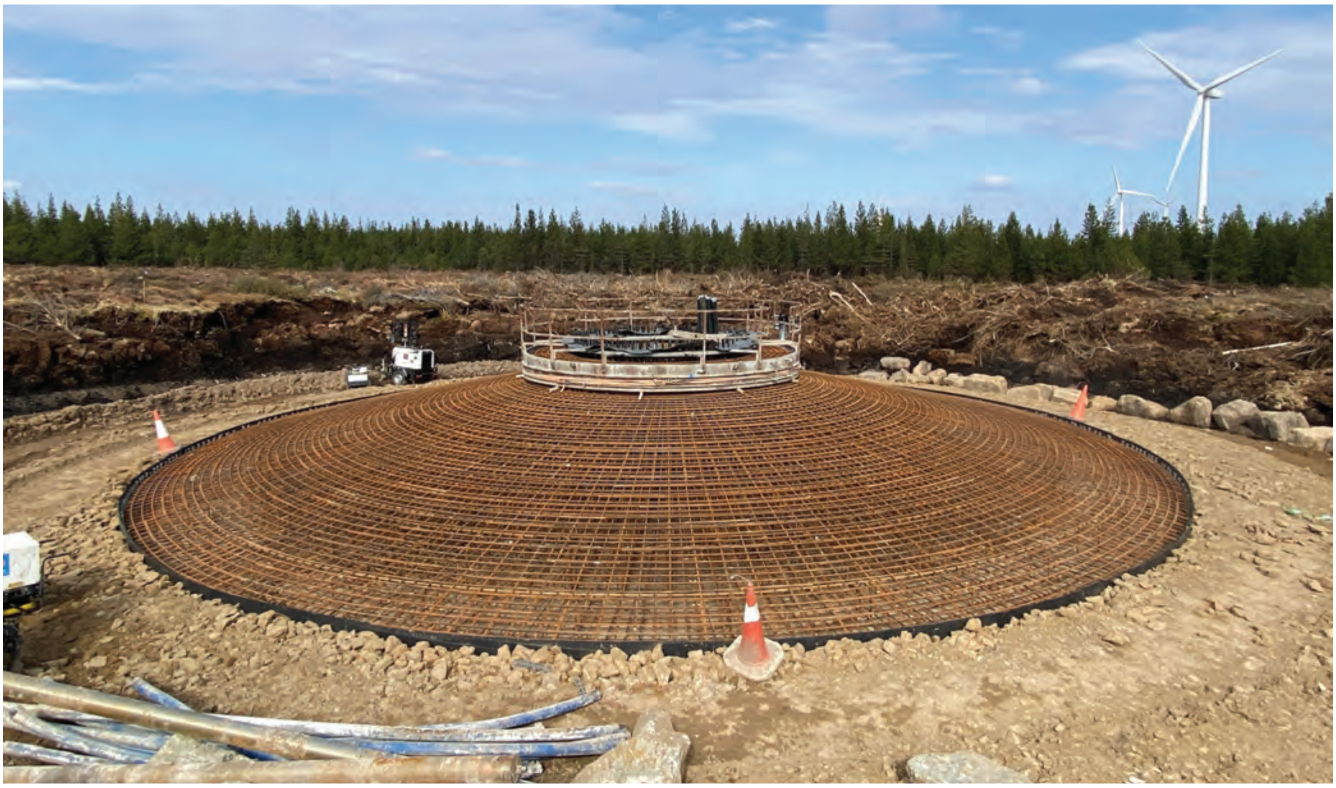
(1) Includes £699.4m of limited recourse debt.

During the year, the Group provided a further £27.4 million of construction finance to the Kype Muir Extension wind farm project (target commissioning in Q2 2023). As at 31 December 2022, the Group's total investment in Kype Muir Extension (including accrued interest) was £39.4 million. The Group has entered into arrangements to acquire a 49.9 per cent stake in Kype Muir Extension once fully commissioned for a headline consideration of £51.4 million. The construction loan will be repaid in full upon acquisition.

On 24 June 2022, the Group acquired Twentyshilling from Statkraft for a total consideration of £51.2 million (commitment made in 2019). The Group also paid £3.1 million of deferred consideration in relation to Windy Rig, acquired from Statkraft in December 2021.

On 26 August 2022, the Group acquired a net 12.5 per cent stake in Hornsea 1 from Global Infrastructure Partners for a total cash consideration (including cash and working capital) of £402.5 million. The Group's share of limited recourse debt was £699.4 million, giving a total enterprise value of £1,101.9 million for the Group's net 12.5 per cent stake.

The acquisition of the South Kyle wind farm from Vattenfall for £320 million is expected to complete in Q2 2023 once fully commissioned (commitment made in 2020).



Foundation at Kype Muir Extension

Investment Manager's Report continued

Gearing

As at 31 December 2022, Aggregate Group Debt was £1,780 million, equating to 31 per cent of GAV (limit 40 per cent). Debt outstanding comprised £900 million of fixed rate term debt at Company level, £200 million drawn under the Company's revolving credit facility and £680 million being the Group's share of limited recourse debt in Hornsea 1.

More details in relation to the Company's debt facilities can be found in note 13 to the financial statements.

Financial Performance

Power prices during the year were well above budget, primarily reflecting high gas prices. The average N2EX Day Ahead auction price was £203.79/MWh (2021: £117.43/MWh). The average price captured by merchant assets in the portfolio (before PPA discounts) was £181.76/MWh (2021: £103.35/MWh). The capture discount in the year was thus 11 per cent, which compares with a 30 per cent discount to the forward curve assumed in the 31 December 2022 NAV.

Net cash generated by the Group and wind farm SPVs was £560.1 million, providing cover of 3.2x dividends paid during the year.

Cash balances (Group and wind farm SPVs) increased by £43.8 million to £160.9 million over the year.

Group and wind farm SPV cash flows	For the year ended 31 December 2022 £'000
Net cash generation[1]	560,077
Dividends paid	(175,800)
Acquisitions[2]	(484,153)
Acquisition costs	(4,667)
Equity issuance	—
Equity issuance costs	(42)
Net drawdown under debt facilities	150,000
Upfront finance costs	(1,663)
Movement in cash (Group and wind farm SPVs)	**43,752**
Opening cash balance (Group and wind farm SPVs)	117,099
Closing cash balance (Group and wind farm SPVs)	**160,851**
Net cash generation	560,077
Dividends	175,800
Dividend cover	3.2x

(1) Alternative Performance Measure as defined on page 120.

(2) Excludes £699,451k of limited recourse debt acquired in Hornsea 1.

Investment Manager's Report continued

Financial Performance continued

The following 2 tables provide further detail in relation to net cash generation of £560.1 million:

Net Cash Generation – Breakdown	For the year ended 31 December 2022 £'000
Revenue	981,752
Operating expenses	(234,439)
Tax	(122,910)
SPV level debt interest	(9,848)
SPV level debt amortisation	(19,947)
Other	21,838
Wind farm cash flow	**616,446**
Management fee	(29,556)
Operating expenses	(2,141)
Ongoing finance costs	(28,026)
Other	2,507
Group cash flow	**(57,216)**
VAT (Group and wind farm SPVs)	847
Net cash generation	**560,077**

Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities	For the year ended 31 December 2022 £'000
Net cash flows from operating activities[1]	545,851
Movement in cash balances of wind farm SPVs[2]	28,770
Repayment of shareholder loan investment[1]	13,482
Finance costs[1]	(29,689)
Upfront finance costs[3]	1,663
Net cash generation	**560,077**

(1) Consolidated Statement of Cash Flows.
(2) Note 9 to the financial statements.
(3) £1,163k professional fees plus £500k facility arrangement fees per note 13 to the financial statements.

Little Cheyne Court

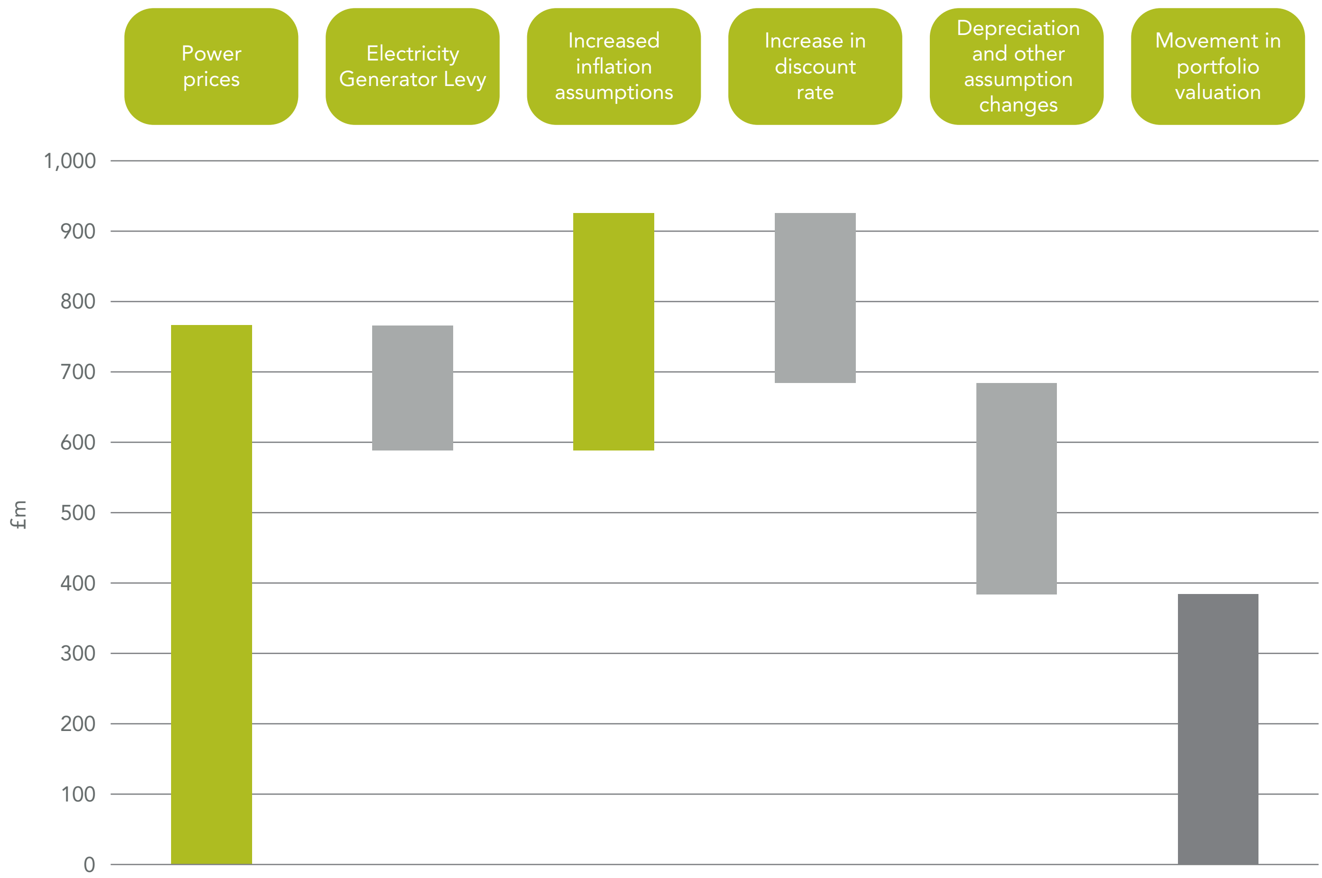
Investment Manager's Report continued

Investment Performance

	£m
NAV at 31 December 2021	**3,093.7**
Investment	1,183.6
Movement in portfolio valuation	383.9
Movement in cash (Group and wind farm SPVs)	43.8
Movement in other relevant liabilities	(2.2)
Movement in Aggregate Group Debt	(829.5)
NAV at 31 December 2022	**3,873.2**

The following table provides further detail in relation to the movement in portfolio valuation of £383.9 million:

	£m	pence per share
Increase in forecast power prices	766.0	33.0
Electricity Generator Levy	(176.9)	(7.6)
Increase in inflation assumptions	336.4	14.5
Increase in discount rate used in the DCF valuation	(241.0)	(10.4)
Depreciation and other assumption changes	(300.6)	(13.0)
Movement in portfolio valuation	**383.9**	**16.6**



Total dividends of £175.8 million were paid in 2022. Total dividends of £178.9 million have been paid or declared with respect to 2022 (7.72 pence per share). The target dividend with respect to 2023 is 8.76 pence per share (increased in line with December 2022 RPI).

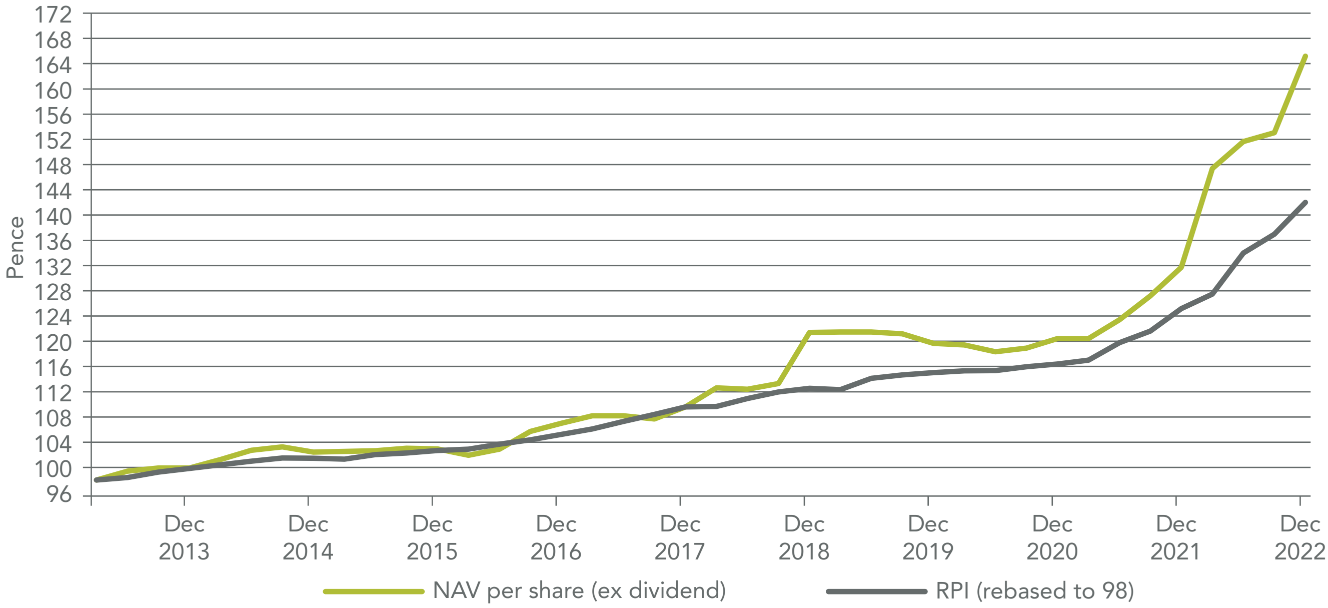
Investment Manager's Report continued

Investment Performance continued

	pence per share	per cent
NAV at 31 December 2021	133.5	
Less February 2022 dividend	(1.8)	
NAV at 31 December 2021 (ex dividend)	131.7	
NAV at 31 December 2022	167.1	
Less February 2023 dividend	(1.9)	
NAV at 31 December 2022 (ex dividend)	165.2	
Movement in NAV (ex dividend)	33.5	25.4
Dividends with respect to the year	7.7	5.9
Total return on NAV	**41.2**	**31.3**

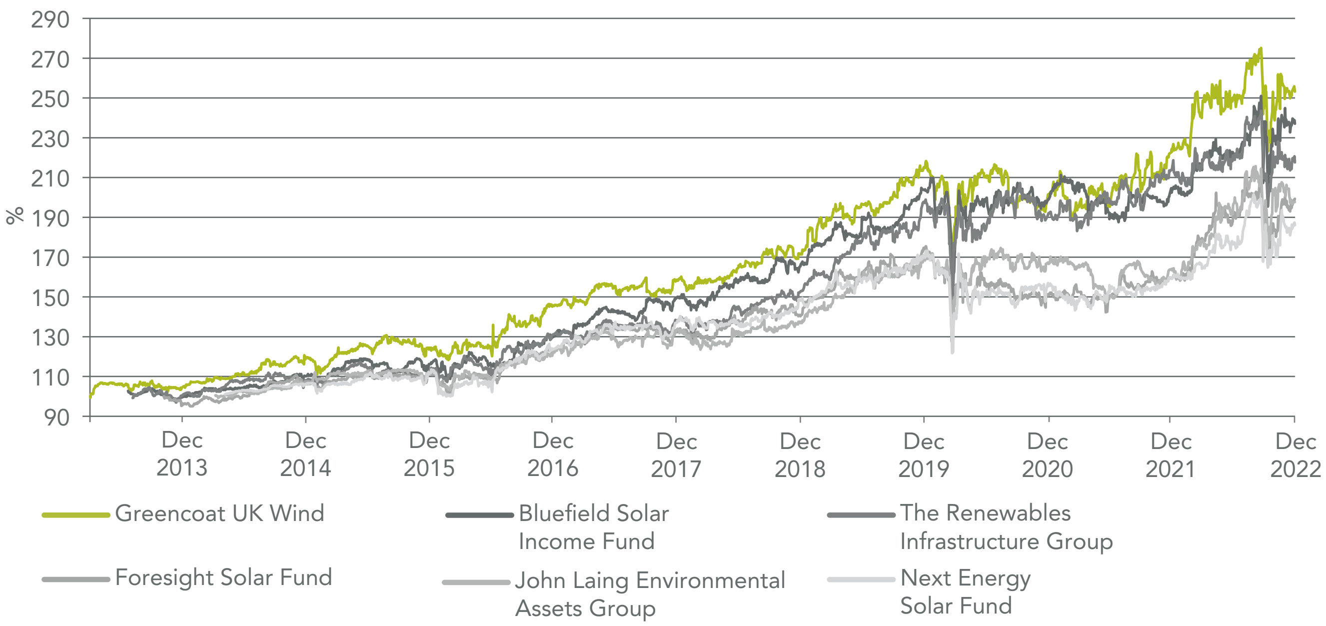
The chart below shows NAV per share versus RPI:

NAV vs RPI



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 2022 £'000	As at 31 December 2021 £'000
Operating portfolio	5,458,334	3,919,545
Construction portfolio	39,414	10,702
Cash (wind farm SPVs)	141,068	112,298
Fair value of investments[1]	**5,638,816**	**4,042,545**
Cash (Group)	19,783	4,801
Other relevant liabilities	(5,867)	(3,647)
GAV	**5,652,732**	**4,043,699**
Aggregate Group Debt[1]	(1,779,504)	(950,000)
NAV	**3,873,228**	**3,093,699**
Reconciling items	—	—
Statutory net assets	**3,873,228**	**3,093,699**
Shares in issue	2,318,089,989	2,317,097,822
NAV per share (pence)	**167.1**	**133.5**

[1] Includes £679,504k of limited recourse debt at Hornsea 1, not included in the Consolidated Statement of Financial Position.

Burbo Bank Extension

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 blended portfolio discount rate as at 31 December 2022 was 8.0 per cent (31 December 2021: 7.2 per cent), which includes an aggregate 0.8 per cent increase in the underlying discount rate during the year reflecting higher interest rates.

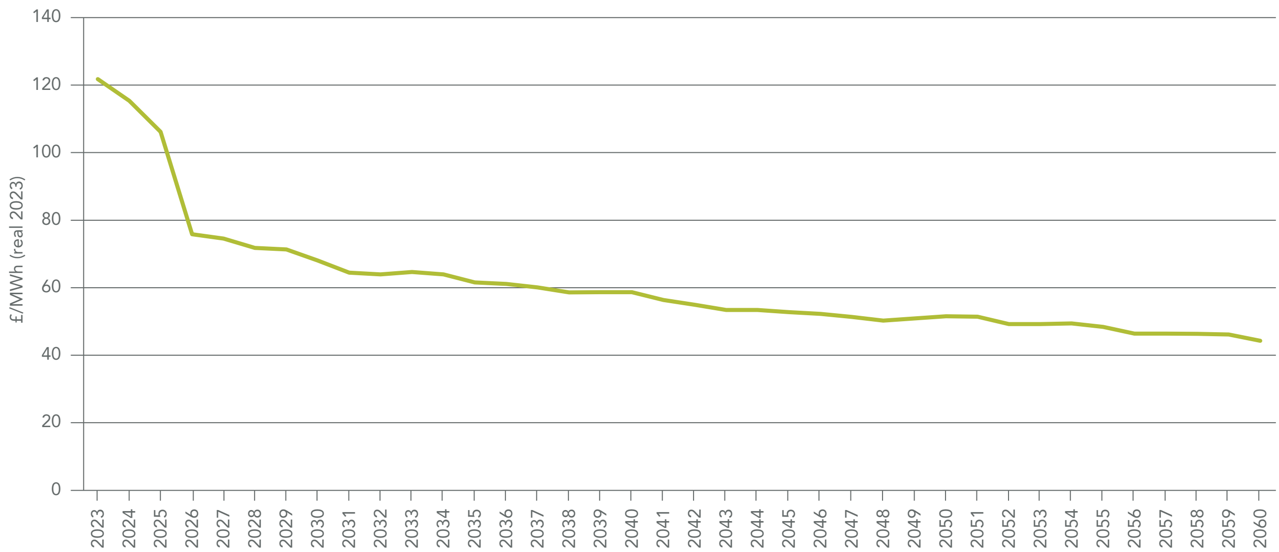
The DCF valuation is produced by discounting the individual wind farm cash flows on an unlevered basis. The equivalent levered discount rate (assuming 30 per cent gearing) is approximately 10 per cent.

Base case long term inflation assumptions are 3.5 per cent to 2030 and 2.5 per cent thereafter for RPI and 2.5 per cent (all years) for CPI. Higher inflation assumptions are used for 2023 (8.0 per cent RPI and 5.0 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. Short term power price assumptions reflect the forward curve as at 16 January 2023 with an appropriate discount applied reflecting the higher volatility associated with short term prices.

The following chart shows the base case power price profile (before any PPA discounts):



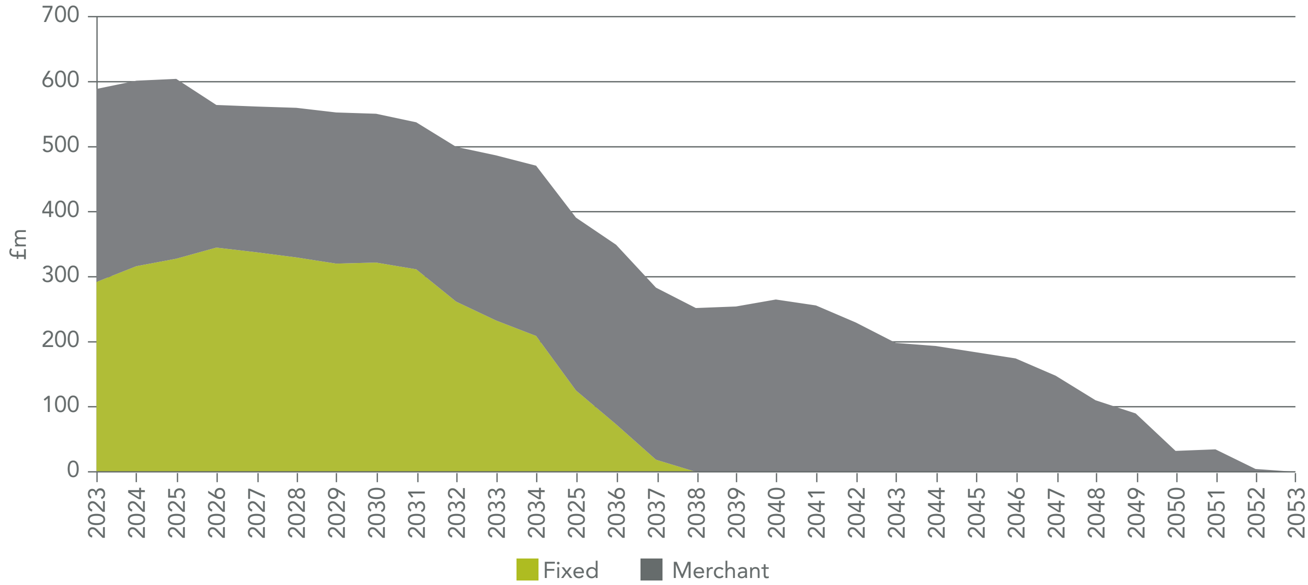
Investment Manager's Report continued

NAV Sensitivities continued

In 2023, fixed cash flows are forecast to contribute 50 per cent of total cash flows (50 per cent merchant). Over the life of the portfolio, fixed cash flows are forecast to contribute 55 per cent of the total DCF value (45 per cent merchant).

The following chart shows the forecast portfolio cash flow split by revenue type:

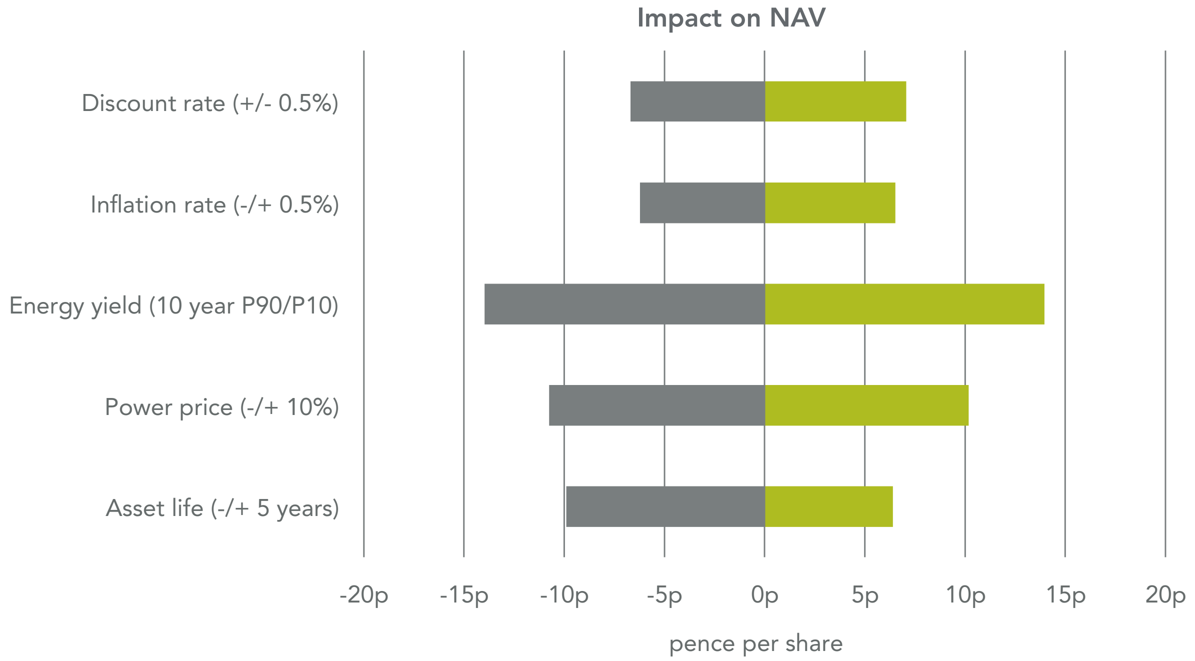
Portfolio cash flow split by revenue type



The power price sensitivity below assumes a 10 per cent increase or decrease in power prices relative to this base case forecast 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 over 28GW of operating UK wind farms (14GW onshore plus 14GW offshore). In monetary terms, the secondary market for operating UK wind farms amounts to approximately £100 billion. The Group's market share is approximately 6 per cent. As at 31 December 2022, the average age of the portfolio was 7 years (versus 5 years at listing in March 2013).

Driven by recent security of supply and cost concerns, as well as by net zero climate objectives, the UK is now targeting 50GW of offshore wind by 2030, supported by the CFD regime. New build onshore wind and solar are also expected to contribute, both on a subsidy free basis and supported by the CFD regime. Over 10GW of total capacity was awarded in CFD Allocation Round 4, announced on 7 July 2022.

It is anticipated that the Group will continue to invest in ROC, CFD and subsidy free wind farms. At all times, the Group will maintain a balanced portfolio, in line with the Company's Investment Objective.

Power prices during the year were well above budget, primarily reflecting high gas prices. The average N2EX Day Ahead auction price was £203.79/MWh (2021: £117.43/MWh). Forward power prices over the period 2023-2026 remain high. High power prices again drove strong cash generation in 2022 and the Group should continue to benefit from strong cash generation over the next few years through its balanced exposure to power prices.

High power prices have inevitably been considered by the Government in the context of balancing the country's fiscal position. We now have clarity in relation to the Electricity Generator Levy at a rate of 45 per cent of annual average power revenue above an index linked £75/MWh. CFDs are excluded from the levy and the Group also benefits from a £10 million annual allowance. The levy applies from 1 January 2023 until 31 March 2028. The levy has been fully modelled and incorporated into the cash flow forecast that underlies the calculation of NAV. We believe that the new clarity should lead to a material reduction in the "uncertainty discount" that has affected the sector during the second half of last year. We continue to apply a conservative discount to future power prices, albeit at an appropriately reduced level. The net result has been a material increase in NAV per share.

The Government's Review of Electricity Market Arrangements ("REMA") continues, with a second round of consultation expected shortly. The aim of REMA is to accommodate a higher proportion of renewable generation and storage on the electricity network in line with the UK's target to decarbonise the electricity sector by 2035. The ultimate market design is thus expected to be supportive for the Group's portfolio and for further investment opportunities.

Two other key macro themes during the year were high inflation and rising interest rates. As noted on page 18, we have increased the blended portfolio discount rate by an aggregate 0.8 per cent to 8.0 per cent reflecting higher interest rates. Nonetheless, the effect of the increased discount rate has been more than offset by increased inflation given the index linked nature of the portfolio cash flows (as noted on page 15, +15 pence in NAV per share from an increase in inflation assumptions and -10 pence from an increase in the discount rate). We believe that the index linked nature of portfolio cash flows is an important consideration for investors.

It is also important to note that 8.0 per cent is the unlevered discount rate. The equivalent levered discount rate (assuming 30 per cent gearing) is approximately 10 per cent. The Company's ongoing charges ratio is less than 1 per cent (as set out on page 21). Thus the net return to investors should be approximately 9 per cent.

Assuming a dividend yield of 5 per cent, the 9 per cent total return would be delivered through a combination of dividends (5 per cent) and growth in NAV per share (4 per cent). Given the underlying index linked nature of the portfolio cash flows, both the dividend yield and growth in NAV per share benefit from a high degree of inflation protection. 2022 dividend cover was 3.2x and, in line with the Company's dividend policy, the target dividend for 2023 has been increased by December's RPI to 8.76 pence per share.

We believe that a 9 per cent total return, with inflation protection, should be very attractive to investors in the new higher interest rate environment.

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.

Strategic Report

Introduction

The Directors present their Strategic Report for the year ended 31 December 2022. Details of the Directors who held office during the year and as at the date of this report are given on pages 33 to 35.

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 cash flow.

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 2022 dividend of 7.72 pence per annum is targeted to increase in line with December 2022 RPI to 8.76 pence for 2023. 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.

Low gearing ensures that the annual dividend is sufficiently protected against lower power prices. This means that the Group also has the ability to benefit from higher power prices as it is not required to enter into long term fixed price contracts.

The Group used debt facilities to make additional investments in the year and intends to 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 Board believes that there is a significant market in which the Group can continue to grow over the next few years.

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 Schroders Greencoat 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 5 to 20.

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 0.93 per cent of the weighted average NAV for the year to 31 December 2022. This is made up as follows and has been calculated using the AIC recommended methodology.

	31 December 2022 £'000	31 December 2022 %	31 December 2021 £'000	31 December 2021 %
Total management fee	31,348	0.87%	23,406	0.92%
Directors' fees	338	0.01%	270	0.01%
Other ongoing expenses[1]	1,970	0.05%	1,359	0.05%
Total	**33,656**	**0.93%**	**25,035**	**0.98%**
Weighted average NAV	**3,622,216**		2,550,739	

[1] Other ongoing expenses do not include £1,383k of management and administration fees relating to the wind farm SPVs that is recharged to them, £54k of Board effectiveness review fees and £253k of broken deal costs.

Assuming no further changes in NAV, the 2023 ongoing charges ratio is expected to be 0.91 per cent.

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

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 pages 33 to 35.

Principal Risks and Uncertainties

In the normal course of business, each investee company has 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.

Strategic Report continued

Principal Risks and Uncertainties continued

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 and to mitigate and minimise the impact of those risks should they crystallise. This risk matrix is also reviewed and updated to identify emerging risks, such as climate related 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.

The risk appetite of the Group is considered in 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 materialises.

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.

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 raising of equity.

Investment Returns Become Unattractive

Higher interest rates 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 or both. Both would increase the investment return and thus would provide a high degree of mitigation against higher future interest rates.

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 investee companies' revenues.

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.

Strategic Report continued

Risks Affecting Investee Companies continued

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 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 to the purchase price.

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 follow.

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 also 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

As further detailed in note 1 to the financial statements on page 68, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence from the date of approval of this report to at least February 2024. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Deeping St. Nicholas

Strategic Report continued

Longer Term Viability

As further disclosed on page 44, 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 is 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 21 to 23, 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 and are comfortable that the Company would continue to remain viable under several robust downside scenarios, including loss of government subsidies and a significant decline in long term power price forecasts, both considered principal risks and uncertainties affecting investee companies.

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.

The Board does not believe that the lower power prices projected in the high transition risk scenario, as discussed on page 30, will diminish the longer term viability of the Company.

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 cash flow.

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 Board is also aware of its responsibility for the risk management of the Group's climate related risks and for transparent disclosure of these risks, appreciating how this is integral to the success of the Company.

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 48 to 49. The Company's engagement with its key stakeholders, including the Investment Manager, is discussed further in the Corporate Governance Report. The key decisions detailed below 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 7.72 pence per share with respect to the year and shareholders voted 99.97 per cent in favour to approve the Company's dividend policy at the AGM on 28 April 2022. The Board is confident that with the Group's continuing strong cash flow and dividend cover, the Company can target a dividend of 8.76 pence per share for 2023, 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.

Investments

Following recommendation from the Investment Manager, the Directors considered each of the Company's investments in the context of the Company's Investment Policy, availability of financing and the potential returns to investors. They also considered each investment in the context of sustainability and its impact on the surrounding community.

Share Issues

During the year, the Company did not issue any further shares through equity raisings.

Board Composition

During the year, Nick Winser C.B.E. was appointed as a non-executive Director of the Company with effect from 1 January 2022 and Lucinda Riches C.B.E. succeeded William Rickett C.B. as Senior Independent Director, with effect from 28 April 2022, following his retirement from the Board.

As disclosed on page 45, the Board engaged Condign Board Consulting 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 committed and appropriately composed to promote the success of the Company.

Environmental, Social and Governance

The Group's approach

The Group invests in wind farms and the environmental benefits of renewable energy are proven and key to delivering the Government's and society's climate change objectives. As the largest renewable infrastructure fund and one of the largest owners of wind farms in the UK, the Company continues to prove the viability of clean energy as a robust sector for investment.

The Group now owns over 1.6GW of installed capacity across 45 onshore and offshore operating wind farms. By dedicating resources to the deployment of renewable energy, the Group is playing an active role in reducing the UK's greenhouse gas emissions and accelerating a move towards net zero for the whole economy. Since listing, the Group's operating wind farms have produced 18.8TWh of clean energy, saving 7.4 million tonnes of CO_2.

During the year, the Group's wind farms generated 4,362GWh of renewable electricity. By the end of 2022, the portfolio was generating sufficient electricity to power 1.8 million homes and avoiding approximately 2.0 million tonnes of CO_2 emissions per annum through the displacement of thermal generation.

To sustain the long term success of the business, the Company acknowledges and understands the importance of effective management of ESG matters for all stakeholders.

The Company continues to have an important role to play in championing both responsible investment and the development of the renewable energy sector. This is achieved through continuous engagement with all industry stakeholders and transparently sharing its ESG approach and results with investors.

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

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 and applies as investments are being made and continuously during the life of each wind farm. 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. The ESG Policy of the Company is approved and overseen by the Company's Board.

The Group will continue to lead the way in encouraging responsible investment to accelerate the development of the UK's wind energy sector further and will do this in a way that maximises returns for our shareholders and creates benefits for the communities and the natural environment in which its wind farms operate.

The Investment Manager has representation on the boards of the operating wind farm companies which oversee performance, including on ESG matters, and meet quarterly. From these ongoing reviews, the Investment Manager reports quarterly to the Company's Board, with data on production, wind farm availability, key events and health and safety performance.

This robust management structure enables the Investment Manager to oversee ESG issues effectively throughout the lifecycle of the Group's wind farms:

Screening

- screen against investment mandate and restrictions; and
- assess the ability of the investment to comply with ESG standards.

Due Diligence

- rigorously assess ESG risks based on commitment, capacity, track record and features of the wind farm; and
- identify mitigation plans.

Investment decision

- identify and address ESG issues in extracts of the Investment Manager's Investment Committee papers that inform investment decisions; and
- determine and cost plans to address ESG issues, and price into the investment decision process.

Asset Management

- establish appropriate governance structures;
- comply with all relevant laws and regulations;
- ensure ongoing monitoring and management of ESG issues;
- manage impacts on the natural habitat surrounding the wind farms under management;
- engage with and support the local communities;
- perform due diligence on third parties; and
- ensure business integrity with a focus on avoiding money laundering, negligent or corrupt practices.

Strategic Report continued

Environmental, Social and Governance continued

Environment

As one of the largest owners of wind farms in the UK, the Group is focused on taking actions to support climate change mitigation through the generation of renewable energy, while minimising the potential impacts that the operation of wind farms may have on local habitats and the environment.

The world continues to face a serious climate challenge, and the UK is taking an active role as a global leader in greenhouse gas emissions reduction. The Company supports the UK Government's strategy to be net zero by 2050 by allowing developers and utilities to recycle their capital, and by demonstrating the attractive long term returns in the industry through our prudent management of wind farms, thereby reducing the cost of capital.

The Group is committed to protecting the local environment around its wind farms, recognising the potential impact that wind farms can have on local terrestrial and aquatic wildlife and landscape.

As such, the Group seeks to protect the local environment around its wind farms by using robust environmental management systems. These include policies, periodic risk assessments, monitoring and regular reporting to the Board and the boards of each of the wind farm companies. Through these measures, the Group also ensures compliance with all applicable laws, regulations and planning permissions as administered by the Environment Agency, Health Protection Agency, local authorities, Ofgem, UREGNI or any other relevant regulatory body, including the data reporting obligations under Renewable Obligation Order 2009.

The Group's core activities include:

- maintaining management systems to evaluate the potential risks and impacts of its activities and avoiding or mitigating environmental impacts on biodiversity, air quality, noise, and waste management where relevant;
- running habitat management plans at its wind farms;
- undertaking additional environmental impact assessments or undergoing regular monitoring, as required;

CASE STUDY

Peatland Management

Healthy peatlands provide food and shelter to wildlife and are valuable biodiversity resources. They are also critical to mitigating climate change. Peatlands store large quantities of carbon which can be easily disturbed and released through overgrazing, burning, cutting and drainage, activities that may occur during the construction of a wind farm. Unless properly managed, the carbon released during construction can adversely affect the carbon payback period of a project, undermining one of the core objectives of renewable energy generation, which is to reduce net greenhouse gas emissions. The Group proactively manages peat restoration works on all sites.

At **Dunmaglass**, monitoring surveys were completed during the year and the next phase of peatland restoration, covering 10-12 hectares, began.

Dunmaglass peatland

At **Tappaghan**, the main focus is on managing grazing and improving drainage. Grazing on peatlands is a delicate balance. Too many livestock can lead to overgrazing and peat erosion and too little or no grazing can lead to a build-up of leaf litter and old, woody vegetation, which makes it difficult for low-growing peatland plants to compete. When tall grass or shrubs dominate the overall species of the area, diversity declines and the risk of wildfires can also increase. Fencing an area of peatland on site helped to maintain low stocking densities during the summer period and prevented grazing over winter. To raise water levels, strip pile dams were installed along a drainage channel within the surrounding area, which promotes the growth of a variety of bog mosses, which are key species in building blanket bog habitat.

Strategic Report continued

Environmental, Social and Governance continued

***Environment** continued*

- seeking to work with partners who uphold good industry standards – from operational managers whose management systems comply with the requirements of ISO 14001:2015 (environmental management systems) to the material contractors used; and
- regular reporting to the Board and the boards of each of the wind farm companies.

During the year, the Investment Manager also set up its first grant-making programme in partnership with BizGive, an online platform that connects organisations to external impact partners, such as universities, charities and community groups. In addition to regular community funding, a £250,000 impact programme was launched to fund and support academic research and non-profit projects that advance the industry's knowledge around wind turbine blade recycling, repurposing and recovery. The programme attracted applications relating to a wide range of unique projects, with successful applicants due to be announced shortly.

Social

It is important that the wind farms are truly part of the community. The Group's approach aids long term support for wind farms in the UK, which helps the industry to continue its build-out.

Supporting worker safety and fair employment on our sites

Worker safety is a top priority for the Group. The Group also recognises the need for people to be paid fairly for the work they do and to have appropriate working conditions. By doing this, it helps to sustain and grow the local communities in which its wind farms operate.

The Group achieves this through a range of activities, including:

- complying with all applicable laws relating to employment, occupational health and safety, human rights, prevention of human trafficking and modern slavery, public safety and security and community matters, including the Wind Turbine Safety Rules;
- implementing health and safety best practices through wind farm specific health and safety policies, project management, contractual arrangements, staff training and stakeholder education;
- assessing and monitoring health and safety practices through wind farm specific risk identification and prevention activities. During the year, these activities included: regular safety checks carried out by the operations and maintenance service providers at all wind farms; safety walks by the Investment Manager's team at 90 wind farms; independent health and safety audits by an accredited professional at 20 wind farms; and 10 lifting operations and equipment audits; and
- reporting on key health and safety data regularly, with escalation and rapid response procedures in place in case of emergency.

CASE STUDY

Clyde and the green skills training centre in South Lanarkshire

Providing communities that once depended on the fossil fuel industry with new training and employment opportunities is one of the ways the Group can support the transition to the net zero economy.

During the year, Clyde provided funding of £149,367 for the development of a state-of-the-art training centre in South Lanarkshire, Scotland that is providing former mining communities with the skills required in the green economy. As well as accreditations in home insulation, each student has a designated employment coach to ensure that every successful graduate will secure a green job from a local employer. The project aims to provide 250 jobs over the course of 3 years to the South Lanarkshire community.

Green skills initiative

Strategic Report continued

Environmental, Social and Governance continued

Social continued

Supporting worker safety and fair employment on our sites *continued*

As a member of Renewable UK, the UK's leading wind energy trade association, the Company is keen to work with other stakeholders to develop the industry further. In addition, the Investment Manager is an active member of SafetyOn, the UK's leading health and safety focused organisation for the onshore wind industry.

Supporting the communities around our wind farms

The Group cares about the communities around its wind farms and engages with local communities to ensure respect for land and access rights and that its wind farms are managed in accordance with planning permissions.

The Group holds regular dialogue with community funds and provides financial support to local groups through community benefit schemes that fund local projects.

These funds help deliver a range of services, from improving local amenities and infrastructure to aiding educational projects for local schools.

Diversity

The Board has a policy to base appointments on merit and against objective criteria, with due regard for the benefits of diversity, including both gender and ethnic 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 2 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. Currently, the Chairman, Audit Committee Chairman and Senior Independent Director positions are all held by women who represent 60 per cent of Directors on the Board. The Board is cognisant that it does not currently have ethnic representation, contrary to the new FCA diversity guidelines, and this will be a key focus during future succession planning.

Andershaw

Strategic Report continued

Environmental, Social and Governance continued

Social continued

Diversity continued

The Board recognises the importance of an inclusive and diverse Board in facilitating a collaborative culture and enhancing the delivery of the Company's strategic objectives. The Board will continue to monitor and actively work on ensuring that it maintains and nurtures a Board that is as diverse as possible.

The Investment Manager operates an equal opportunities policy and its partners and employees comprise 72 men and 32 women.

Governance

Detailed disclosure on the Company's governance structure and activities can be found in the Corporate Governance Report on pages 44 to 49.

Task Force on Climate Related Financial Disclosures (TCFD)

The Company strives to maintain the highest standards of corporate governance and effective risk identification and management at both Group and wind farm level. The Company supports the recommendations of the TCFD and refers to them for guidance on addressing climate related risks and opportunities across the Group and enhancing our disclosure.

These disclosures are categorised between the 4 thematic areas as recommended by the TCFD.

Governance

The Board is responsible for the determination of the Company's Investment Objective and Investment Policy. It also oversees the management of the Company and its investments, including ESG and climate related risks and opportunities. The Board delegates the day-to-day management of the business, including management of ESG matters, to the Investment Manager.

The Audit Committee also considers the Company's climate related disclosures in its Annual Report and Financial Statements.

As discussed in the Corporate Governance Report on pages 47 to 48, the Board and the Investment Manager meet regularly and discuss risk management. Climate related risks are covered during these discussions, as they naturally arise from the Group's underlying investments and the Company's significant role in the decarbonisation of the UK economy. A formal risk matrix is maintained by the Investment Manager and reviewed and approved by the Board on an annual basis.

In addition, the Investment Manager has its own ESG committee that meets regularly to discuss ESG and climate related risks relating to the Group and other funds it manages. This committee has implemented an ESG Framework Policy that looks to establish best practice in climate related risk management, reporting and transparency. Representatives from the Investment Manager also sit on all of the boards of the wind farm companies, which meet quarterly and discuss ESG and climate related risk management.

Strategy

As the leading renewable infrastructure fund, invested in UK wind farms, the Company plays a significant role in the UK renewables industry. The Company's strategy and Investment Policy of acquiring operating wind capacity in the secondary market, enables developers and utilities to recycle capital, facilitating further renewable build-out and thus plays a significant role in increasing operating wind generating capacity.

The Company considers that the decarbonisation of the UK economy will continue to present a significant investment opportunity and the size of the Company's growth will be related to the success of the sector and the engagement of its stakeholders. In addition, companies are increasingly required to demonstrate their adherence to reducing their carbon footprints and this may increase demand for corporate PPAs and could provide the Group with an option to fix power prices, should it decide to do so, and mitigate volatility.

The Board and the Investment Manager monitor climate related risks and appreciate their impact on the Group. In the medium and long term, more extreme weather patterns arising from global warming have the capacity to damage infrastructure in general, including above ground grid infrastructure. It is considered unlikely, however, that significant damage will be caused to generating equipment that is designed to take advantage of weather systems. Nonetheless, appropriate insurance against property damage and business interruption is held for any such eventuality.

It is possible that the deployment of new renewable generating capacity, required to meet future UK and global emission reduction targets, could reduce the power price captured by the Group's portfolio investments. The Group's dividend policy, however, has been designed to withstand significant short term variability in generation or power price capture.

Climate related risks can be classified into two broad categories: (i) risks associated with the transition to a decarbonised economy; and (ii) risks associated with the physical impacts of climate change.

Strategic Report continued

Task Force on Climate Related Financial Disclosures (TCFD) continued

Strategy continued

High Transition Risk Scenario

The Board and the Investment Manager continue to believe that the key factor that could impact the Company in the transition to a lower carbon economy is the variability of long term prices for wholesale electricity. In a lower carbon economy, where considerable build-out of renewable generation capacity will be required, there is a risk that the power price received by the Group's portfolio could be negatively impacted, depending on how successful the Government is in implementing its plan and depending on future electricity market design including the REMA consultation.

In a scenario in which global temperature increases are limited to only 1.5°C to 2°C (most typically associated with net zero), it is assumed that the Government is successful in implementing its plan in its entirety and the REMA consultation does not conclude in significantly different market design. In this scenario, the long term power price is lower than the base case used to calculate the Company's NAV. The lower long term power price, provided by a leading market consultant, reflects the wider deployment of low marginal cost renewable generation capacity, partially offset by the expected deployment of electrolysers as part of a growing hydrogen economy, increased electrification of transport and heat and the build-out of data centres. Modelling the lower long term power price would equate to approximately an 18 pence reduction in NAV per share.

The base case long term power price assumes significant renewable generation and other measures to reduce carbon emissions and represents the independent consultant's best estimate of likely outturn. The High Transition Risk Scenario assumes further measures. The precise effect on power price of any measures (in the base case and in the High Transition Risk Scenario) is highly uncertain and is highly dependent on future electricity market design. The High Transition Risk Scenario also assumes no other offsetting factors.

High Physical Risk Scenario

Physical risks may consist of acute physical risk, which can refer to event driven perils including increased severity and frequency of extreme weather events, and chronic physical risk, which can refer to longer term shifts in climate patterns that cause sea level rises, heat waves, droughts and desertification.

The Board and the Investment Manager continue to believe that a scenario where global temperature increases are significantly higher than 2°C would not lead to any significant physical risk to the Group's wind farms, which are designed to operate in extreme weather conditions and are typically not located in areas prone to flooding.

Alongside all scenarios, there is a risk that weather systems change as a result of higher temperature change scenarios but it is not possible, at this time, to determine whether this would impact the Group positively or negatively.

Risk Management

As a full scope UK AIFM, the Investment Manager has established a Risk Management Committee that meets on a quarterly basis to discuss, amongst other matters, the risk framework of the Group and investee companies including processes for identifying, assessing and managing climate related risks.

To ensure strong performance, the Group reinforces its specific oversight on environmental and social issues with a range of activities, including:

- appointing at least one director from the Investment Manager to the boards of the wind farm companies, to ensure monitoring and influence of both financial and ESG performance;
- carrying out due diligence to ensure that any new outsourced service providers are reputable and responsible organisations;
- carrying out due diligence during the acquisition of new wind farms in accordance with the Investment Manager's established procedures and ESG Framework Policy, and in compliance with the AIFMD Due Diligence Policy; and
- complying with all applicable anti-bribery and corruption and anti-money laundering laws and regulations and implementing policies to ensure this performance is in line with the policies of the Investment Manager.

The Investment Manager's Investment Committee comprises experienced senior managers. Whilst making investment decisions, due consideration is given to climate related risks as well as to opportunities identified during due diligence.

During the year, the Investment Manager, with the assistance of an independent consultant, completed a risk modelling exercise for a representative sample of the Group's SPV investments reflecting climate related hazard exposure over a future period of time.

Strategic Report continued

Task Force on Climate Related Financial Disclosures (TCFD) continued

Metrics and Targets

The world continues to face a serious climate challenge, and the UK is taking an active role as a global leader in greenhouse gas emissions reduction.

The Government's net zero strategy includes:

- complete decarbonisation of the electricity sector by 2035;
- 50GW of offshore wind capacity by 2030;
- 70GW of solar PV capacity by 2035;
- 10GW of low carbon hydrogen production capacity by 2030;
- 24GW of nuclear capacity by 2050;
- 4 carbon capture and storage clusters; and
- electrification of transportation (thus increasing demand for electricity).

The Group supports this investment by allowing developers and utilities to recycle their capital, and by demonstrating the attractive long term returns in the industry through its prudent management of wind farms, thereby reducing the cost of capital.

Renewable energy generators avoid CO_2 emissions on a net basis at a rate of approximately 0.4t CO_2 per MWh. Given the size of the Group's investment portfolio on 31 December 2022, the portfolio's contribution to reducing CO_2 emissions is approximately 2.0 million tonnes per annum. The portfolio is also generating sufficient electricity to power 1.8 million homes per annum, at 2.9MWh per home.

Humber Gateway

Strategic Report continued

Task Force on Climate Related Financial Disclosures (TCFD) continued

Metrics and Targets continued

The portfolio's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are disclosed below.

Disclosure	Year ended 31 December 2022
Scope 1 – direct emissions (tonnes CO_2)	149
Scope 2 – indirect emissions (tonnes CO_2)	1,422
Scope 3 – indirect emissions (tonnes CO_2)(1)	136,161
Total Scope 1, 2 and 3 emissions (tonnes CO_2)	**137,732**

(1) Scope 3 emissions are the result of activities from assets not owned or controlled by the Group, but that the Group indirectly impacts in its value chain. Scope 3 emissions include all sources not within the Group's Scope 1 and 2 boundary and include, inter alia, emissions arising from the construction of each wind farm acquired in the year, including those emissions associated with the manufacturing and transport of all equipment and material, before the wind farm was commissioned, as well as the expected spare part provision throughout its lifetime.

It is the Investment Manager's view that Scope 3 emissions are less meaningful given the Company's strategy of investing in UK wind farms for the duration of their asset lives. Furthermore, recognising a wind farm's construction and whole life operating emissions in the year the Group acquires it is potentially misleading as it both overestimates carbon emissions in the year of acquisition and underestimates carbon emissions generated in every other year.

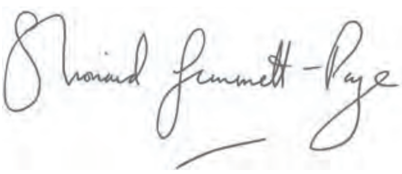
The carbon payback of a wind turbine, essentially how quickly it offsets the emissions generated during its manufacture, transportation and on-site construction, is an indicator of its contribution to accelerating energy transition. At current rates, carbon payback is typically around 5-6 months for onshore and 8 months for offshore wind farms, which is approximately 3 per cent of the assumed asset life. Carbon footprint indicators are measured in line with the industry standard Greenhouse Gas Protocol based on an equity control approach, meaning emissions from the Group's operations are weighted according to the Group's proportionate ownership of its SPV investments.

EU Sustainable Financial Disclosure Regulation (SFDR)

The Company became Article 9 qualified under EU SFDR during the year and makes sustainability related disclosures in the financial services sector. Through its Investment Policy of investing in UK wind farms predominately with a capacity over 10MW, the Company contributes to the environmental objective of climate change mitigation that helps to facilitate the transition to a low carbon economy.

Detailed Annex V disclosures and the Company's principal adverse impacts statement can be found on pages 100 to 116.

On behalf of the Board



Shonaid Jemmett-Page
Chairman

22 February 2023

Rhyl Flats generator exchange

Board of Directors

As at the date of this report, the Board comprises 5 individuals from relevant and complementary backgrounds.

During the year and with effect from the conclusion of the 2022 AGM on 28 April 2022, William Rickett C.B. retired from the Board and Lucinda Riches C.B.E. was appointed as Senior Independent Director.

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

Shonaid Jemmett-Page, Chairman (appointed 5 December 2012)

Shonaid Jemmett-Page, (Chairman) FCA (Director), aged 62, 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 Chairman of Cordiant Digital Infrastructure Limited as well as Chairman of its nominations and management engagement committees, Senior Independent Director of ClearBank Ltd and Chairman of its audit and remuneration committees and a member of its nomination and risk committees, non-executive Director of Aviva plc as well as Chairman of its customer and sustainability committee and a member of its nomination and governance, risk and audit committees, and non-executive Director of QinetiQ Group plc and Chairman of its audit committee and a member of its risk and security, remuneration and nomination committees. Until April 2018 she was non-executive Director of GKN plc where she served as Chairman of its audit committee and was a member of its remuneration and nominations committees. Until November 2019 she was non-executive Director of MS Amlin plc where she served as Chairman and was also the Chairman of its remuneration and nominations committees and a member of its risk and solvency committee. Until March 2020 she served as non-executive Chairman and then non-executive Director of MS Amlin Insurance SE (a Belgian subsidiary of MS Amlin plc), and until May 2022 she was a non-executive Director of Caledonia Investments plc where she served as Chairman of its remuneration committee and a member of its governance, nomination and audit committees. She is also the examiner of the UK branch of an Indian children's cancer charity.

Caoimhe Giblin, Chairman of the Audit Committee (appointed 1 September 2019)

Caoimhe Giblin (Director and Audit Committee Chairman), aged 46, has extensive experience in the electricity industry sector and is currently Commercial Director 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. Caoimhe also holds a Diploma in Company Direction from the Institute of Directors, of which she is a member. In 2018, Caoimhe was elected to sit on the Wind Energy Ireland Council.

Board of Directors continued

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

Lucinda Riches C.B.E. (Senior Independent Director), aged 61, 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 Chairman of Peel Hunt Limited and a non-executive Director of Ashtead Group plc. Previously she was a non-executive Director of UK Financial Investments, a non-executive Director of The Diverse Income Trust plc, Senior Independent Director of The British Standards Institution and until 2021 she was a non-executive Director of CRH plc and Senior Independent Director of ICG Enterprise Trust plc. She was awarded a C.B.E. in 2017 for her services to financial services, British industry and to charity.

Martin McAdam (appointed 1 March 2015)

Martin McAdam (Director), aged 61, 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.

Nick Winser C.B.E. (appointed 1 January 2022)

Nick Winser C.B.E. (Director), aged 62, has a 30 year career in the energy sector which included CEO of National Grid across UK and Europe, President of the European Network of Transmission System Operators for Electricity and CIGRE UK Chairman. Nick has been the Chairman of Energy Systems Catapult since 2015 and was appointed Chairman of the Advisory Board for the Energy Revolution ISCF programme in 2018 and served on the Advisory Panel for the Cost of Energy Review in 2017.

Nick is a member of the Institute of Engineering and Technology, serving as its President in 2017/18. Nick maintains a keen interest in the organisation's work and sits on the Nominations & Succession Committee. Nick is also former Chairman of the MS Society and a former member of the Board of the Kier Group.

Board of Directors continued

William Rickett C.B., (appointed 4 December 2012 and retired 28 April 2022)

William Rickett C.B., aged 70, 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. 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 technology, Smart DCC Ltd, the company procuring the shared infrastructure needed for the roll out of smart gas and electricity meters across the country, and Impax Environmental Markets plc, a listed investment trust specialising in the alternative energy, waste and water sectors. William is also a non-executive Director of Harmony Energy Income Trust PLC, a company that invests in commercial scale energy storage and renewable energy generation projects.

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. He was made a Companion of the Order of the Bath in the New Year Honours in 2010.

William retired from the Board with effect from 28 April 2022.

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

QinetiQ Group plc
Cordiant Digital Infrastructure Limited
Aviva plc

Lucinda Riches C.B.E.

Ashtead Group plc
Peel Hunt Limited

With the exception of Shonaid Jemmett-Page, the Directors have all offered themselves for re-election and resolutions concerning this will be proposed at the 2023 AGM.

Conflicts of Interest

The Directors have declared any conflicts or potential conflicts of interest to the Board 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.

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 2022. The Corporate Governance Report on pages 44 to 49 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 33 to 35.

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 2023 AGM. Special resolution 14 will be proposed at the forthcoming AGM seeking renewal of such authority until the next AGM (or 30 June 2024, 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 11, 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 11 or by way of a sale of treasury shares.

Major Interests in Shares

Significant shareholdings as at 10 February 2023 are detailed below.

Shareholder	Ordinary shares held % 10 February 2023
BlackRock Investment Management	8.00
Newton Investment Management	6.67
Rathbone Investment Management	5.72
Investec Wealth & Investment	4.69
Schroder Investment Management	3.71
Evelyn Partners	3.23

Significant shareholdings as at 31 December 2022 are detailed below.

Shareholder	Ordinary shares held % 31 December 2022
BlackRock Investment Management	8.00
Newton Investment Management	6.59
Rathbone Investment Management	5.77
Investec Wealth & Investment	4.69
Schroder Investment Management	3.38
Evelyn Partners	3.29

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;
- 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;

Companies Act 2006 Disclosures continued

- 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 5 to 20 and the Group's policy on diversity is detailed in the Strategic Report on pages 28 to 29.

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.

Streamlined Energy Carbon Reporting

As the Group has outsourced operations to third parties, there are no significant greenhouse gas emissions to report from the operations of the Group. The Group qualifies as a low energy user and is therefore exempt from disclosures on greenhouse gas emissions and energy consumption.

The underlying assets of the Group's investee companies are renewable energy generators which avoid CO_2 emissions on a net basis (at a rate of approximately 0.4t CO_2 per MWh and approximately 2.0 million tonnes per annum given the size of the Group's investment portfolio as at 31 December 2022).

Further details of the portfolio's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions can be found in the Strategic Report on page 32.

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

During the year, the Company conducted a formal and competitive audit tender process in line with the requirements of the Statutory Auditors and Third Country Auditors Regulations (SATCAR) for Public Interest Entities (PIEs) to conduct an external audit tender every 10 years. The Directors consider it to be in the best interests of the Company and its Shareholders to 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 2023 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 2022 are received and adopted by the shareholders and a resolution concerning this will be proposed at the 2023 AGM.

Dividend

The Board recommended an interim dividend of £44.7 million, equivalent to 1.93 pence per share with respect to the 3 month period ended 31 December 2022, bringing total dividends with respect to the year to £178.9 million, equivalent to 7.72 pence per share as disclosed in note 8 to the financial statements.

Report of the Directors continued

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 21 to 32.

On behalf of the Board

Shonaid Jemmett-Page
Chairman

22 February 2023

Burbo Bank Extension

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 2023 AGM. At the AGM on 28 April 2022, shareholders voted 99.93 per cent in favour to approve the Directors' Remuneration Report for the year ended 31 December 2021.

The Company's Auditor is required to give their opinion on the information provided on Directors' remuneration on pages 39 to 41 of this report and this is explained further in its report to shareholders on page 59. 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 33 to 35, consists solely of non-executive Directors and is considered to be independent. The Board considers at least annually the level of the Board's fees, in accordance with the AIC Code.

Remuneration Policy

As at the date of this report, the Board comprised 5 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.

At the AGM on 30 April 2020, shareholders voted 98.25 per cent in favour to approve the Company's Remuneration Policy, which is put to a vote by Shareholders every 3 years. The details of the Company's Remuneration Policy are set out in full below. No changes are expected for 2023 and this policy will next be put to a vote by Shareholders at the 2023 AGM.

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.

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 effective date and expiry date of each of the Directors' current letters of appointment:

	Effective date of current appointment letter	Expiry date of current appointment letter
Shonaid Jemmett-Page	1 May 2020	28 April 2023
Martin McAdam	1 March 2021	29 February 2024
Lucinda Riches C.B.E.	1 May 2022	30 April 2025
Caoimhe Giblin	1 September 2022	31 August 2025
Nick Winser C.B.E.	1 January 2022	31 December 2024

A Director's appointment may at any time be terminated by and at the discretion of either the Director or the Company 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

During the year, the basic fee for non-executive Directors increased by £10,000 per annum to £55,000, with effect from 1 January 2022, with the Senior Independent Director and the Audit Committee Chairman receiving an additional £5,000 and £10,000 per annum respectively. The Chairman's basic fee was also increased by £10,000 to £85,000 per annum.

The level of fees for Directors were benchmarked in 2021 by independent consultants, Nurole, as in line with the market. The Company is now the largest independent generator of renewable electricity in the UK. Its GAV has grown to £5.7 billion through acquisitions and equity raisings and, in the last 3 years, the Board and its committees have held 68 meetings.

The Board takes the view that making discretionary payments to Directors for extra work is better for shareholders than a permanent increase in the level of Directors' base fees, however, no discretionary payments were made during the year.

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 2022	Fixed remuneration	Discretionary remuneration[1]	Total remuneration
Shonaid Jemmett-Page (Chairman)	£85,000	—	£85,000
Caoimhe Giblin (Audit Committee Chairman)	£65,000	—	£65,000
Lucinda Riches C.B.E. (Senior Independent Director)[2]	£58,397	—	£58,397
Martin McAdam	£55,000	—	£55,000
Nick Winser C.B.E.	£55,000	—	£55,000
William Rickett C.B.[3]	£19,397	—	£19,397
Total	**£337,794**	**—**	**£337,794**

(1) The Directors received no additional discretionary payment during the year.

(2) Appointed as Senior Independent Director with effect from 28 April 2022.

(3) Retired with effect from 28 April 2022.

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 2021	Fixed remuneration	Discretionary remuneration[1]	Total remuneration
Shonaid Jemmett-Page (Chairman)	£75,000	£10,000	£85,000
Caoimhe Giblin (Audit Committee Chairman)	£55,000	£10,000	£65,000
William Rickett C.B. (Senior Independent Director)	£50,000	£10,000	£60,000
Martin McAdam	£45,000	£10,000	£55,000
Lucinda Riches C.B.E.	£45,000	£10,000	£55,000
Total	**£270,000**	**£50,000**	**£320,000**

(1) The Directors received an additional discretionary payment from the Company in relation to work incurred in connection with the share placings in February and November 2021.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Paid in the year to 31 December 2022	2022 % change from prior year[1]	2021 % change from prior year	2020 % change from prior year
Shonaid Jemmett-Page (Chairman)	0%	16%	22%
Caoimhe Giblin (Audit Committee Chairman)	0%	15%	42%
Lucinda Riches C.B.E. (Senior Independent Director)[2]	6%	10%	11%
Martin McAdam	0%	10%	0%
Nick Winser C.B.E[3]	100%	n/a	n/a
William Rickett C.B.	0%	9%	0%
Tim Ingram[4]	n/a	-100%	-13%
Dan Badger[5]	n/a	n/a	-100%

(1) Movement in individual Director's salary based on annualised total figures, including £10k of additional discretionary payments made in the prior year in connection with share placings.

(2) Appointed as Senior Independent Director with effect from 28 April 2022.

(3) Appointed to the Board with effect from 1 January 2022.

(4) Retired with effect from 30 April 2020.

(5) Resigned with effect from 31 July 2019.

Directors' Interests (audited information)

Directors who held office and had interests in the shares of the Company as at 31 December 2022 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 2022	Ordinary shares of 1p each held at 31 December 2021
Shonaid Jemmett-Page[1]	131,602	131,602
Martin McAdam	103,689	103,689
Lucinda Riches C.B.E.	120,000	120,000
Caoimhe Giblin	40,000	40,000

(1) includes 59,570 ordinary shares legally and beneficially owned by her spouse.

Relative Importance of Spend on Pay

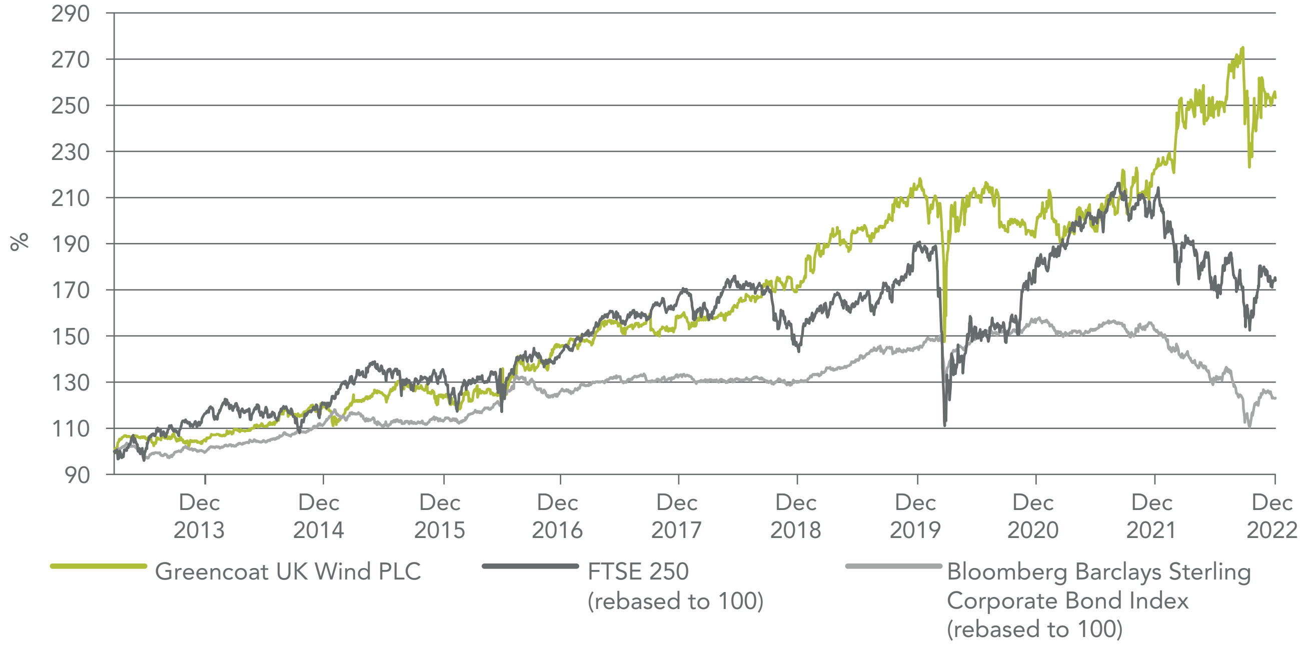
The remuneration of the Directors with respect to the year totalled £337,794 (2021: £320,000) in comparison to dividends paid or declared to shareholders with respect to the year of £178,945,737 (2021: £147,998,434), as disclosed in note 8 to the financial statements on page 76.

Company Performance

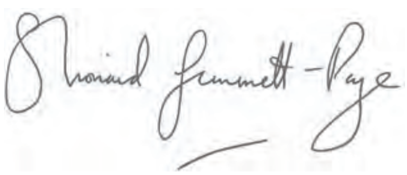
Due to the positioning of the Company in the market as a sector-focused infrastructure fund investing in UK wind farms to produce stable and inflating dividends for investors while aiming to preserve capital value, the Directors consider that a listed infrastructure fund has characteristics of both an 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 following graph shows the TSR of the Company compared to the FTSE 250 index and the Bloomberg Barclays Sterling Corporate Bond Index:

Directors' Remuneration Report continued

Total Shareholder Return vs Equity and Bond Indices



On behalf of the Board



Shonaid Jemmett-Page
Chairman
22 February 2023

Clyde

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's financial statements, and have elected to prepare the Company's financial statements, in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. 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 UK adopted international accounting standards, 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. 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's financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards, 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

Shonaid Jemmett-Page
Chairman

22 February 2023

Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 36 to 38. 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.

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.

As an investment trust with no employees, the Board have agreed that its culture and values 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 5 non-executive Directors and represents a range of investment, financial and business skills and experience.

The Chairman of the Board is Shonaid Jemmett-Page, however she has confirmed her intention to retire with effect from the conclusion of the 2023 AGM and will therefore not seek re-election. 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, whilst having served more than 9 years on the Board, Shonaid remains independent as a non-executive Director with a clear division of responsibilities from the Investment Manager.

The Senior Independent Director is Lucinda Riches C.B.E.. Following a rigorous, externally supported selection process, Ms Riches has been selected to succeed Shonaid as Chairman of the Board and Nick Winser C.B.E. will be appointed as Senior Independent Director following the conclusion of the 2023 AGM. The Board has determined that Ms Riches and Mr Winser are independent Directors, in accordance with the provisions of the AIC Code. 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, other than Shonaid Jemmett-Page, shall offer themselves for re-election at the forthcoming AGM. 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.

Corporate Governance Report continued

The Board continued

The Company's view is that the continuity and experience of its Directors are important and that a suitable balance needs to be struck with the need for independence and the refreshing of the skills and expertise of the Board. The Company believes that some limited flexibility in its approach to Director rotation and Chair tenure will enable it to manage succession planning more effectively, as set out below. During the year, the Board also commenced a Director recruitment process with the assistance of an external recruitment consultant.

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

Chair Tenure Policy

The Company's policy on Chair tenure is available on the Company website. Mrs Jemmett-Page joined the Company in December 2012, bringing her beyond 9 years of tenure but was appointed as Chairman of the Board in April 2020. The Company's policy on Chair tenure is that the Chairman should normally serve no longer than 9 years as a Director and Chairman but, where it is in the best interests of the Company, its shareholders and stakeholders, the Chairman may serve for a limited time beyond that to help the Company manage succession planning whilst at the same time still address the need for regular refreshment and diversity. In such circumstances the independence of the other Directors will ensure that the Board as a whole remains independent.

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 Condign Board Consulting, who were independent from 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 committed and appropriately composed to promote the success of the Company. 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. Other recommendations related to the non-executive Director recruitment process and Chairman succession planning were considered and adopted during the year.

An internal evaluation of the Board, the Audit Committee and individual Directors will be conducted during 2023 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 Director's 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 Caoimhe Giblin 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 she does attend Audit Committee meetings as and when deemed appropriate. The Audit Committee Report which is on pages 50 to 53 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 Shonaid Jemmett-Page. 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.

The Management Engagement Committee met once during the year and following consultation with shareholders, the Company agreed certain amendments to the Investment Management Agreement with the Investment Manager, as outlined in note 3 to the financial statements.

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

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 Shonaid Jemmett-Page. 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 4 times during the year to consider Director remuneration and Board succession planning, as well as to commence a Director recruitment process with the assistance of an external recruitment consultant, Heidrick & Struggles.

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 Investment 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 Management Agreement was amended during the year, which applied a refreshed initial term of 4 years from 1 April 2022 and the Investment Manager's appointment is terminable by the Investment Manager or the Company on not less than 12 months' notice thereafter. This is subject to a reduction to one year's notice if the shares trade below NAV for 6 months or more, on average, during the initial term and a revision to the change of control clause to limit the remaining term for these purposes to a maximum of 2 years.

Corporate Governance Report continued

The Investment Manager continued

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.

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 2022 by each Director is set out below:

	Scheduled Board Meetings (Total of 5)	Additional Board Meetings (Total of 2)
Shonaid Jemmett-Page	5	2
Martin McAdam	5	2
Lucinda Riches C.B.E.	5	2
Caoimhe Giblin	5	2
Nick Winser C.B.E.	5	2
William Rickett C.B.[1]	3	0

[1] Resigned with effect from 28 April 2022, at which point 3 scheduled Board meetings and no additional Board meetings had taken place.

The number of meetings of the committees of the Board attended in the year to 31 December 2022 by each committee member is set out below:

	Audit Committee Meetings (Total of 4)	Management Engagement Committee Meetings (Total of 1)	Nominations Committee Meetings (Total of 4)
Shonaid Jemmett-Page	n/a	1	4
Martin McAdam	4	1	4
Lucinda Riches C.B.E.[1]	4	1	3
Caoimhe Giblin	4	1	4
Nick Winser C.B.E.	4	1	4
William Rickett C.B.[2]	2	0	1

[1] Did not attend a Nomination Committee meeting which related to her own potential appointment as Chairman of the Board.

[2] Resigned with effect from 28 April 2022, at which point 2 Audit Committee meetings, no Management Engagement Committee meetings and 1 Nomination Committee meeting 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 21 to 23 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. The Board has a process in place to identify emerging risks, such as climate related 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.

Corporate Governance Report continued

Internal Control continued

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 controls systems which the Investment Manager and Administrator have in place in respect of the Group's financial reporting are focused around the 3 lines of defence model and 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.

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 also provides 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 drew £200 million of new term debt with AXA, 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 Joint Brokers. 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.

Corporate Governance Report continued

Engagement with Stakeholders continued

Relations with Other Stakeholders *continued*

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. Representatives of the site manager and SPV board directors from the Investment Manager, visit all operational sites on a regular basis and generally 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 Group's investee companies.

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 page 24.

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

On behalf of the Board

Shonaid Jemmett-Page
Chairman of the Board

22 February 2023

North Rhins

Audit Committee Report

At the date of this report, the Audit Committee comprised Caoimhe Giblin (Chairman), Martin McAdam, Lucinda Riches C.B.E. and Nick Winser C.B.E.. 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 33 to 35 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. The Company's Annual Report complies with the provisions of the Competition and Markets Authority's (CMA) Order.

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, 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, including climate related reporting disclosures under the TCFD 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;
- considering and recommending to the Board for approval the contents of the annual financial statements and reviewing the Auditor's report thereon including considering 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 has an accounting policy 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, challenged 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 rates, 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 2023 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 2022 to determine that these were unchanged from those disclosed in the Company's 2021 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

The Audit Committee has a policy regarding the provision of non-audit services by the external Auditor. 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.

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 provision of these non-audit services did not provide threats to the Auditor's independence.

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 2020 and therefore the lead partner will be required to rotate after the completion of the 2024 year end audit.

The external audit contract is required to be put to tender at least every 10 years. During the year, the Audit Committee conducted a formal and competitive external audit tender process ahead of the audit for the year ending 31 December 2022. The process commenced in early 2022 and a shortlist of suitable audit firms comprising Big 4 and other firms were approached and invited to submit a proposal for consideration. A further shortlist of firms met with the Audit Committee Chairman and their suitability for the engagement was evaluated against comprehensive criteria reflecting experience, independence, audit approach and ESG considerations. Following a comprehensive assessment process and discussions with the Investment Manager, the Board resolved to reappoint BDO LLP as the Company's Auditor.

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 2023 AGM of the Company.

Caoimhe Giblin
Chairman of the Audit Committee

22 February 2023

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Independent Auditor's Report

To the Members of Greencoat UK Wind PLC

Opinion on the financial statements

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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards 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.

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 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the 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 UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors in the year of incorporation to audit the financial statements for the year ended 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 10 years, covering the years ending 31 December 2013 to 31 December 2022. We remain 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. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- To test the future cash flow forecast prepared by the Directors we agreed the key inputs and assumptions relating to the long term life of the assets and forecasted power prices used within the valuation models to supporting documentation and our own understanding as a part of our work over Investment valuation which has been covered in the Key Audit matter table below;
- We have reviewed and challenged the inputs in the stress testing of extreme downside scenarios and cash flow forecasts prepared by management and recalculated Group and Parent Company's liquidity position;

Independent Auditor's Report continued

Conclusions relating to going concern continued

- We have reviewed the loan agreements and checked the repayment dates of each one and adherence of bank covenants in place, based on the forecast, and considered the likelihood of these being breached in the future via the stress tested scenarios previously mentioned; and
- We have challenged the Directors as to how the Group will be able to meet their commitments in respect of agreed acquisitions and also their plans for repayment of £150 million loan facilities with National Australia Bank and Commonwealth Bank of Australia due for repayment in November 2023. We note that the Group has a strong history of raising debt and equity. Based on the assessment performed by us we note that cash that is forecasted to be generated by the portfolio companies, Group cash available as at 31 December 2022 of £161 million and available balance on the existing RCF facility would be sufficient to meet all the commitments as they fall due for at least the next 12 months.

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

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Coverage	100% (2021: 100%) of Group profit before tax 100% (2021: 100%) of Group revenue 100% (2021: 100%) of Group total assets		
Key audit matters		**2022**	**2021**
	Valuation of investments	Yes	Yes
Materiality	*Group financial statements as a whole* £58.1m (2021:£46.4m) based on 1.5% (2021: 1.5%) of net assets. *Specific Materiality* Materiality for items impacting on the realised return was £25.5m (2021: £10.4m) based on 5% (2021: 5%) of profit before tax, excluding the unrealised valuation movements.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We have identified Parent company and Greencoat UK Wind Holdco Limited (Holdco) in the Group as being significant and both were subject to a full scope audit by BDO LLP. There were no other components in the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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, including 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.

Independent Auditor's Report continued

Key audit matters continued

Key audit matter		How the scope of our audit addressed the key audit matter
Valuation of investments (See note 1 and note 9 on pages 70 to 71 and 77 to 79)	100% of the underlying investment portfolio is represented by unquoted equity and loan investments and all investments are individually material to the financial statements. The valuation of investments is calculated using discounted cash flow models. This is a highly subjective accounting estimate where there is an inherent risk of bias arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the Group. These estimates include judgements including future power prices, wind generation, discount rates, asset lives, tax (including windfall tax), and inflation. For these reasons we considered the valuation of investments to be a key audit matter.	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 tracked changes to inputs or structure from the valuation model in the prior year. • Agreed wind generation and power price forecasts to independent reports prepared by a third party expert engaged by management. We have assessed Independence, objectivity and competence of the expert. • For new investments we obtained and reviewed agreements and contracts and considered whether these were accurately reflected in the valuation model. • Challenged the appropriateness of the selection and application of key assumptions in the model including the discount rate, inflation, asset life, energy yield and power prices applied by benchmarking to available industry data and consulting with our internal valuations specialists. • 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. • Reviewed the corporation tax workings within the valuation model and considered whether these had been modelled accurately in the context of current corporation tax legislation and rates. This includes considering the accuracy of the modelling of the electricity generator levy. • Agreed cash and other net current assets to bank statements and investee company management accounts as appropriate. • Considered the accuracy of forecasting by comparing previous forecasts to actual results. • For loan investments we vouched to loan agreements and verified the necessary terms and recalculated the closing value of the loan and also tested the movement in the loan balance during the year. • 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. **Key observations** Based on our procedures performed we found the valuation estimates and Judgements were 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.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels 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.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2022 £m	2021 £m	2022 £m	2021 £m
Materiality	58.1	46.4	55.2	44.1
Basis for determining materiality	1.5% net assets	1.5% net assets	95% of Group materiality	95% of Group materiality
Rationale for the benchmark applied	Net assets are considered to be the benchmark of most interest to the users of the financial statements in understanding the financial position of the group as an investor in UK wind farms.		To manage the aggregation risk we have reduced the materiality for Parent to 95%.	
Performance materiality	43.6	34.8	41.4	33.1
Basis for determining performance materiality	75% materiality Risk assessment of control environment and consideration of number of historical errors identified			

Specific materiality

We also determined that for impacting realised return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items based on 5% (2021:5%) of profit before tax, excluding unrealised valuation movements. We further applied a performance materiality level of 75% (2021:75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component materiality

We set materiality for each component of the Group based on a percentage of 95% of Group materiality dependent on our assessment of the risk of material misstatement of each component. In addition to the parent company the other significant component in the group is Greencoat UK Wind Holdco Limited for which the Materiality is set at £55.2m (2021:£44.1m). In the audit of each significant component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £1,275k (2021:£928k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's Report continued

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 23 and 24; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 23 and 24.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 37; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 47; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 47 and 48; and • The section describing the work of the Audit Committee set out on page 50.

Independent Auditor's Report continued

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	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 Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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.

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.

Independent Auditor's Report continued

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

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

We 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 company 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, requirement of s.1158 of the Corporation Tax Act, and applicable accounting standards. We also considered the risk that the valuation of the investment portfolio was subject to bias from the Investment Manager, as described in the Key Audit Matter section above.

Our tests included, but were not limited to:

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

We assessed the susceptibility of the financial statements to material misstatement including fraud and considered the key fraud risk areas to be the valuation of investments and management override of controls.

Our tests included, but were not limited to:

- The procedures set out in the Key Audit Matters section above;
- Obtaining independent evidence to support the ownership of investments;
- Recalculating the investment management fees in total; and
- Testing journals, based on risk assessment criteria as well as an unpredictable sample, and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, 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. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor’s Report continued

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

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

22 February 2023

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 2022

	Note	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Investment income	4	577,156	266,132
Unrealised movement in fair value of investments	9	446,096	155,551
Other income		1,878	1,788
Total income and gains		**1,025,130**	**423,471**
Operating expenses	5	(35,346)	(26,258)
Investment acquisition costs		(3,146)	(3,305)
Operating profit		**986,638**	**393,908**
Finance expense	13	(32,775)	(30,689)
Profit for the year before tax		**953,863**	**363,219**
Tax	6	—	—
Profit for the year after tax		**953,863**	**363,219**
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**953,863**	**363,219**
Earnings per share			
Basic and diluted earnings from continuing operations in the year (pence)	7	**41.16**	**18.30**

The accompanying notes on pages 68 to 97 form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	31 December 2022 £'000	31 December 2021 £'000
Non current assets			
Investments at fair value through profit or loss	9	4,959,312	4,042,545
		4,959,312	**4,042,545**
Current assets			
Receivables	11	2,487	2,632
Cash and cash equivalents		19,783	4,801
		22,270	**7,433**
Current liabilities			
Loans and borrowings	13	(150,000)	—
Payables	12	(8,354)	(6,279)
Net current (liabilities)/assets		**(136,084)**	**1,154**
Non current liabilities			
Loans and borrowings	13	(950,000)	(950,000)
Net assets		**3,873,228**	**3,093,699**
Capital and reserves			
Called up share capital	15	23,181	23,171
Share premium account	15	2,470,396	2,468,940
Retained earnings		1,379,651	601,588
Total shareholders' funds		**3,873,228**	**3,093,699**
Net assets per share (pence)	16	**167.1**	**133.5**

Authorised for issue by the Board of Greencoat UK Wind PLC (registered number 08318092) on 22 February 2023 and signed on its behalf by:

Shonaid Jemmett-Page
Chairman

Caoimhe Giblin
Director

The accompanying notes on pages 68 to 97 form an integral part of the financial statements.

Statement of Financial Position – Company

As at 31 December 2022

	Note	31 December 2022 £'000	31 December 2021 £'000
Non current assets			
Investments at fair value through profit or loss	9	4,978,816	4,046,365
		4,978,816	**4,046,365**
Current assets			
Receivables	11	125	107
Cash and cash equivalents		2,446	1,875
		2,571	**1,982**
Current liabilities			
Loans and borrowings	13	(150,000)	—
Payables	12	(8,159)	(4,648)
Net current liabilities		**(155,588)**	**(2,666)**
Non current liabilities			
Loans and borrowings	13	(950,000)	(950,000)
Net assets		**3,873,228**	**3,093,699**
Capital and reserves			
Called up share capital	15	23,181	23,171
Share premium account	15	2,470,396	2,468,940
Retained earnings		1,379,651	601,588
Total shareholders' funds		**3,873,228**	**3,093,699**
Net assets per share (pence)	16	**167.1**	**133.5**

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 £953,863,000 (2021: £363,219,000).

Authorised for issue by the Board on 22 February 2023 and signed on its behalf by:

Shonaid Jemmett-Page
Chairman

Caoimhe Giblin
Director

The accompanying notes on pages 68 to 97 form an integral part of the financial statements.

Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2022

For the year ended 31 December 2022	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2022)		23,171	2,468,940	601,588	**3,093,699**
Issue of share capital	15	10	1,490	—	**1,500**
Share issue costs	15	—	(34)	—	**(34)**
Profit and total comprehensive income for the year		—	—	953,863	**953,863**
Interim dividends paid in the year	8	—	—	(175,800)	**(175,800)**
Closing net assets attributable to shareholders		**23,181**	**2,470,396**	**1,379,651**	**3,873,228**

After taking account of cumulative unrealised gains of £713,442,660, the total reserves distributable by way of a dividend as at 31 December 2022 were £666,208,331.

For the year ended 31 December 2021	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2021)		18,241	1,834,477	377,155	**2,229,873**
Issue of share capital	15	4,930	644,188	—	**649,118**
Share issue costs	15	—	(9,725)	—	**(9,725)**
Profit and total comprehensive income for the year		—	—	363,219	**363,219**
Interim dividends paid in the year	8	—	—	(138,786)	**(138,786)**
Closing net assets attributable to shareholders		**23,171**	**2,468,940**	**601,588**	**3,093,699**

After taking account of cumulative unrealised gains of £267,346,624, the total reserves distributable by way of a dividend as at 31 December 2021 were £334,240,317.

The accompanying notes on pages 68 to 97 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Note	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Net cash flows from operating activities	17	**545,851**	**242,261**
Cash flows from investing activities			
Acquisition of investments	9	(484,153)	(565,957)
Investment acquisition costs		(4,667)	(6,263)
Repayment of shareholder loan investments	9	13,482	8,731
Net cash flows from investing activities		**(475,338)**	**(563,489)**
Cash flows from financing activities			
Issue of share capital	15	—	647,618
Payment of issue costs		(42)	(9,715)
Amounts drawn down on loan facilities	13	460,000	110,000
Amounts repaid on loan facilities	13	(310,000)	(260,000)
Finance costs		(29,689)	(30,976)
Dividends paid	8	(175,800)	(138,786)
Net cash flows from financing activities		**(55,531)**	**318,141**
Net increase/(decrease) in cash and cash equivalents during the year		**14,982**	**(3,087)**
Cash and cash equivalents at the beginning of the year		**4,801**	**7,888**
Cash and cash equivalents at the end of the year		**19,783**	**4,801**

The accompanying notes on pages 68 to 97 form an integral part of the financial statements.

Statement of Cash Flows – Company

For the year ended 31 December 2022

	Note	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Net cash flows from operating activities	17	**(30,949)**	**(21,668)**
Cash flows from investing activities			
Loans advanced to Group companies	9	(260,811)	(499,800)
Repayment of loans to Group companies	9	347,862	203,990
Net cash flows from investing activities		**87,051**	**(295,810)**
Cash flows from financing activities			
Issue of share capital	15	—	647,618
Payment of issue costs		(42)	(9,715)
Amounts drawn down on loan facilities	13	460,000	110,000
Amounts repaid on loan facilities	13	(310,000)	(260,000)
Finance costs		(29,689)	(30,976)
Dividends paid	8	(175,800)	(138,786)
Net cash flows from financing activities		**(55,531)**	**318,141**
Net increase in cash and cash equivalents during the year		**571**	**663**
Cash and cash equivalents at the beginning of the year		**1,875**	**1,212**
Cash and cash equivalents at the end of the year		**2,446**	**1,875**

The accompanying notes on pages 68 to 97 form an integral part of the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1. Significant accounting policies

Basis of accounting

The consolidated annual financial statements have been prepared in accordance with UK adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

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.

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 in the Strategic Report on pages 21 to 23. 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.

As at 31 December 2022, the Group had net current liabilities of £136.1 million (2021: net current assets of £1.2 million), and cash balances of £19.8 million (2021: £4.8 million) (excluding cash balances within investee companies of £141.1 million). The significant net current liabilities position of the Group at 31 December 2022 is due to part of the Company's term debt with NAB and CBA maturing within 12 months of the year end and therefore being classified as current liabilities. The Company expects to refinance the maturing term debt during 2023.

The Company had £1,100 million (2021: £950 million) of outstanding debt as at 31 December 2022, with £400 million available to borrow under its revolving credit facility. The covenants on the Company's banking facilities are limited to gearing and interest cover and the Company is expected to continue to comply with these covenants going forward.

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

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 has also agreed to acquire the South Kyle wind farm for a headline consideration of £320 million and 49.9 per cent of the Kype Muir Extension wind farm project for a headline consideration of £51.4 million. The Directors are confident that the Group has sufficient access to debt, including its revolving credit facility, as well as equity markets in order to fund commitments to acquisitions and meet the contingent liabilities detailed in note 14 to the financial statements, should they become payable.

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 from the date of approval of this report to at least February 2024. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

1. Significant accounting policies continued

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 3 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 3 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's 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.

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 2022 that had a significant effect on the Group's or Company's financial statements. However, the Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

- Narrow-scope amendments to IFRS 3 "Business combinations" and IAS 37 "Provisions, contingent liabilities and contingent assets" and annual improvements on IFRS 9 "Financial instruments".

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

1. Significant accounting policies continued

New and amended standards and interpretations not applied

At the date of authorisation of these financial statements, the following amendments had been published and will be mandatory for future accounting periods.

Effective for accounting periods beginning on or after 1 January 2023:

- Narrow-scope amendments to IAS 1 "Presentation of Financial Statements", Practice statement 2 and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
- Amendments to IAS 12," Income Taxes" – deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IFRS 17, "Insurance contracts" – this standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts.

Effective for accounting periods beginning on or after 1 January 2024:

- Amendments to IAS 1 on classification of liabilities clarify that liabilities are classified as either current or non current, depending on the rights that exist at the end of the reporting period.

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 2022 and 2021 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 of the Group's loan and equity investments 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

1. Significant accounting policies continued

Financial instruments continued

Financial assets continued

Investments held at fair value through profit or loss continued

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.

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 cash flow basis in accordance with IFRS 13 and IFRS 9.

Recognition and derecognition of financial assets

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.

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 cash flow 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. In the event that an amendment to a loan agreement leads to a 10 per cent or greater change in the net present value of all future cash flows payable under that agreement, then this is considered a substantial modification under IFRS 9 and accounted for as an extinguishment of the original financial liability and the recognition of new financial liability. Any unamortised costs in relation to the prior loan agreement are expensed through the profit or loss account in the period in which the substantial modification occurred. 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

1. Significant accounting policies continued

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.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

1. Significant accounting policies continued

Taxation continued

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.

The Group does not expect to recognise any deferred tax assets or liabilities as it would expect to avail from substantial shareholder relief on any temporary or permanent difference arising from any potential future sale of an investment.

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, 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.

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.

Significant accounting estimates and assumptions

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 cash flows are the useful life of the assets, the discount rates, 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. The sensitivity analysis of these key assumptions is outlined in note 9 to the financial statements, on page 79.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

2. Critical accounting judgements, estimates and assumptions continued

Significant accounting estimates and assumptions continued

The discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount rates applied to the cash flows are reviewed periodically 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 rates 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, which reflect various factors including gas prices, carbon prices and renewables deployment, each of which reflect the UK and global response to climate change. 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.

As disclosed in note 10, the fair value of guarantees and counter-indemnities provided by the Group on behalf of its investments are considered to be £nil, as the Directors do not expect Group cash flows to crystalise as a result of these guarantees or counter-indemnities.

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.

Following consultation with shareholders, the Board announced on 13 June 2022 certain amendments to the Investment Management Agreement. In particular, an additional tier was added to the cash fee structure which reduces the fee charged in respect of NAV over £3,000 million, as detailed below. 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;
- on that part of the then most recently announced NAV over £1,000 million and up to and including £3,000 million, an amount equal to 0.2 per cent of such part of the NAV; and
- on that part of the then most recently announced NAV over £3,000 million, an amount equal to 0.175 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

3. Investment management fees continued

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

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Cash Fee	29,848	21,906
Equity Element	1,500	1,500
	31,348	**23,406**

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. Investment income

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Dividends received (note 19)	525,897	226,328
Interest on shareholder loan investment received (note 19)	51,259	39,804
	577,156	**266,132**

5. Operating expenses

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Management fees (note 3)	31,348	23,406
Group and SPV administration fees	1,000	857
Non-executive Directors' fees	338	320
Other expenses	2,469	1,521
Fees to the Company's Auditor:		
for audit of the statutory financial statements	187	150
for other audit related services	4	4
	35,346	**26,258**

The fees to the Company's Auditor for the year ended 31 December 2022 include £4,290 (2021: £3,900) payable in relation to a limited review of the half year report. During the prior year, BDO LLP was also paid £36,000 in relation to capital raises of the Company which was included in share issue costs. Total fees payable to BDO LLP for non-audit services during the year were £4,290 (2021: £39,900).

6. Taxation

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
UK Corporation Tax charge	—	—
	—	**—**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

6. Taxation continued

The tax charge for the year shown in the Statement of Comprehensive Income is lower than the standard rate of corporation tax of 19 per cent (2021: 19 per cent). The differences are explained below.

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Profit for the year before taxation	953,863	363,219
Profit for the year multiplied by the standard rate of corporation tax of 19 per cent (2021: 19 per cent)	181,234	69,012
Fair value movements (not subject to taxation)	(83,484)	(30,389)
Dividends received (not subject to taxation)	(99,920)	(43,002)
Expenditure not deductible for tax purposes	603	628
Surrendering of tax losses to unconsolidated subsidiaries for nil consideration	819	3,994
Other net tax adjustments	748	(243)
Total tax charge	**—**	**—**

The corporation tax rate will increase from 19 per cent to 25 per cent (for companies with profits over £250,000), from 1 April 2023.

7. Earnings per share

	For the year ended 31 December 2022	For the year ended 31 December 2021
Profit attributable to equity holders of the Company – £'000	953,863	363,219
Weighted average number of ordinary shares in issue	2,317,629,517	1,984,849,617
Basic and diluted earnings from continuing operations in the year (pence)	**41.16**	**18.30**

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 2022	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2021	1.795	41,597
With respect to the quarter ended 31 March 2022	1.930	44,730
With respect to the quarter ended 30 June 2022	1.930	44,734
With respect to the quarter ended 30 September 2022	1.930	44,739
	7.585	**175,800**

Interim dividends declared after 31 December 2022 and not accrued in the year	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2022	1.930	44,742
	1.930	**44,742**

On 23 January 2023, the Company announced a dividend of 1.93 pence per share with respect to the quarter ended 31 December 2022, bringing the total dividend declared with respect to the year to 31 December 2022 to £178.9 million, equivalent to 7.72 pence per share. The record date for the dividend is 10 February 2023 and the payment date is 24 February 2023.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

8. Dividends declared with respect to the year continued

The following table shows dividends paid in the prior year.

Interim dividends paid during the year ended 31 December 2021	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2020	1.775	32,384
With respect to the quarter ended 31 March 2021	1.795	35,462
With respect to the quarter ended 30 June 2021	1.795	35,467
With respect to the quarter ended 30 September 2021	1.795	35,473
	7.160	**138,786**

9. Investments at fair value through profit or loss

Group – for the year ended 31 December 2022	Loans £'000	Equity interest £'000	Total £'000
Opening balance	924,748	3,117,797	**4,042,545**
Additions	169,106	315,047	**484,153**
Repayment of shareholder loan investments (note 19)	(13,482)	—	**(13,482)**
Unrealised movement in fair value of investments	6,709[(1)]	439,387	**446,096**
	1,087,081	**3,872,231**	**4,959,312**

(1) Includes capitalised interest of £1,367,912 for Kype Muir Extension and £5,841,418 for Hoylake.

The investments made in underlying assets are carried at fair value through profit and loss. The investments are typically made through a combination of shareholder loans and equity into the SPVs which own the underlying asset, and any unrealised fair value movements typically reflect the equity portion of the investments. As the shareholder loans are repayable on demand fair value is considered to be equal to the nominal amount. At the point that the equity carrying value is reduced to nil, further movements will be allocated against shareholder loan investments.

Group – for the year ended 31 December 2021	Loans £'000	Equity interest £'000	Total £'000
Opening balance	607,956	2,721,812	**3,329,768**
Additions	328,906	237,051	**565,957**
Repayment of shareholder loan investments	(8,731)	—	**(8,731)**
Unrealised movement in fair value of investments	(3,383)	158,934	**155,551**
	924,748	**3,117,797**	**4,042,545**

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 2022 £'000	For the year ended 31 December 2021 £'000
Increase in portfolio valuation	383,897	116,628
Repayment of shareholder loan investments (note 19)	13,482	8,731
Amortisation of debt at SPV level	19,947	—
Movement in cash balances of SPVs	28,770	26,366
Windy Rig capital expenditure and Glen Kyllachy working capital	—	3,826
	446,096	**155,551**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

9. Investments at fair value through profit or loss continued

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 2022	Loans £'000	Equity interest £'000	Total £'000
Opening balance	2,430,766	1,615,599	**4,046,365**
Loan advanced to Holdco (note 19)	260,811	—	**260,811**
Repayment of loan to Holdco (note 19)	(347,862)	—	**(347,862)**
Unrealised movement in fair value of investments	—	1,019,502	**1,019,502**
	2,343,715	**2,635,101**	**4,978,816**

The Company's shareholder loan investment in Holdco is repayable on demand.

Company – for the year ended 31 December 2021	Loans £'000	Equity interest £'000	Total £'000
Opening balance	2,134,956	1,197,474	**3,332,430**
Loan advanced to Holdco (note 19)	499,800	—	**499,800**
Repayment of loan to Holdco (note 19)	(203,990)	—	**(203,990)**
Unrealised movement in fair value of investments	—	418,125	**418,125**
	2,430,766	**1,615,599**	**4,046,365**

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 2022.

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

Valuations are derived using a discounted cash flow 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

9. Investments at fair value through profit or loss continued

Fair value measurements continued

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 blended portfolio discount rate as at 31 December 2022 was 8.0 per cent (31 December 2021: 7.2 per cent), which includes an aggregate 0.8 per cent increase in the underlying discount rate during the year reflecting higher interest rates.

The DCF valuation is produced by discounting the individual wind farm cash flows on an unlevered basis. The equivalent levered discount rate (assuming 30 per cent gearing) is approximately 10 per cent.

Base case long term inflation assumptions are 3.5 per cent to 2030 and 2.5 per cent thereafter for RPI and 2.5 per cent (all years) for CPI. Higher inflation assumptions are used for 2023 (8.0 per cent RPI and 5.0 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. Short term power price assumptions reflect the forward curve as at 16 January 2023 with an appropriate discount applied reflecting the higher volatility associated with short term prices.

The power price 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 £4,959,311,361 (2021: £4,042,545,081). 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	8.0 per cent	+ 0.5 per cent	(155,166)	(6.7)
		– 0.5 per cent	163,665	7.1
Long term inflation rate	RPI: 3.5 per cent to 2030,	– 0.5 per cent	(144,045)	(6.2)
	2.5 per cent thereafter	+ 0.5 per cent	151,076	6.5
	CPI: 2.5 per cent			
Energy yield	P50	10 year P90	(323,717)	(14.0)
		10 year P10	323,657	14.0
Power price	Forecast by leading	– 10 per cent	(249,393)	(10.8)
	consultant	+ 10 per cent	236,130	10.2
Asset life	30 years	– 5 years	(229,237)	(9.9)
		+ 5 years	148,321	6.4

The sensitivities above are assumed to be independent of each other. Combined sensitivities are not presented. The sensitivity analysis shown above would be the same for the Company as for the Group. Also see the High Transition Risk Scenario discussed on page 30.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

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 2022	Ownership Interest as at 31 December 2021
Andershaw	Scotland[10]	100%	100%
Bin Mountain	Northern Ireland[9]	100%	100%
Bishopthorpe	England[10]	100%	100%
Braes of Doune	Scotland[11]	100%	100%
Breeze Bidco[1]	Scotland[10]	100%	100%
Brockaghboy	Northern Ireland[9]	100%	100%
Carcant	Scotland[11]	100%	100%
Church Hill	Northern Ireland[9]	100%	100%
Corriegarth	Scotland[11]	100%	100%
Cotton Farm	England[10]	100%	100%
Crighshane	Northern Ireland[9]	100%	100%
Douglas West	Scotland[11]	100%	100%
Earl's Hall Farm	England[10]	100%	100%
Glen Kyllachy	Scotland[9]	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%
Slieve Divena 2	Northern Ireland[9]	100%	100%
Stroupster	Scotland[10]	100%	100%
Tappaghan	Northern Ireland[9]	100%	100%
Twentyshilling	Scotland[10]	100%	—
Walney Holdco[2]	England[10]	100%	100%
Windy Rig	Scotland[10]	100%	100%
Bicker Fen	England[10]	80%	80%
Fenlands[3]	England[10]	80%	80%
Humber Holdco[4]	England[10]	77.2%	77.2%
Nanclach[1]	Scotland[10]	75%	75%
Dunmaglass Holdco[5]	Scotland[10]	71.2%	71.2%
Stronelairg Holdco[6]	Scotland[10]	71.2%	71.2%
Hoylake[7]	England[10]	63%	63%
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.

(2) The Group holds 100 per cent of Walney Holdco, which owns 25.1 per cent of Walney Wind Farm, resulting in the Group holding a 25.1 per cent indirect investment in Walney Wind Farm.

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

10. Unconsolidated subsidiaries, associates and joint ventures continued

(4) The Group holds 77.2 per cent of Humber Holdco, which owns 49 per cent of Humber Wind Farm, resulting in the Group holding a 37.8 per cent indirect investment in Humber Wind Farm.

(5) 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.

(6) 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.

(7) The Group's investment in Burbo Bank Extension is held through Hoylake.

(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 Legacy Building, Northern Ireland Science Park, Belfast, BT3 9DT.

(10) The registered office address is 5th Floor, 20 Fenchurch Street, London, EC3M 3BY.

(11) The registered office address is Collins House, Rutland Square, Edinburgh, EH1 2AA.

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 2022	Ownership Interest as at 31 December 2021
ML Wind[1]	England[3]	49%	49%
Little Cheyne Court	England[3]	41%	41%
Clyde	Scotland[4]	28.2%	28.2%
Hornsea 1 Holdco[2]	England[5]	25%	—
Rhyl Flats	Wales[3]	24.95%	24.95%

(1) The Group's investments in Middlemoor and Lindhurst are 49 per cent (2021: 49 per cent). These are held through ML Wind.

(2) The Group holds 25 per cent of Hornsea 1 Holdco, which owns 50 per cent of Hornsea 1 Limited, resulting in the Group holding a 12.5 per cent indirect investment in Hornsea 1 Limited.

(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.

(5) The registered office address is 1 Bartholomew Lane, London, England, EC2N 2AX.

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

10. Unconsolidated subsidiaries, associates and joint ventures continued

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	Hornsea 1	National Westminster Bank	Letter of credit	Debt service reserve	65,300
Holdco	Clyde	SSE	Counter-indemnity	Grid, radar, decommissioning	21,771
The Company	North Hoyle	The Crown Estate	Guarantee	Decommissioning, rent	18,263
Holdco	Kype Muir Extension	Nordex	Guarantee	Turbine supply	12,695
The Company	Glen Kyllachy	RWE	Counter-indemnity	Decommissioning, grid	12,238
The Company	Burbo Bank Extension	Orsted	Counter-indemnity	Rent, radar	11,000
The Company	Twentyshilling	Whiteside Hill Wind Farm	Guarantee	Land access, cabling	10,000
The Company	Hornsea 1	Orsted	Letter of Credit	Lease obligations	7,525
The Company	Humber Gateway	RWE	Guarantee	Radar	4,900
The Company	Rhyl Flats	The Crown Estate	Guarantee	Decommissioning	3,723
The Company	Andershaw	Statkraft	Guarantee	Decommissioning	3,500
The Company	Braes of Doune	Land owner	Guarantee	Decommissioning	2,000
The Company	Twentyshilling	Santander	Counter-indemnity	Council – Decommissioning Obligations	1,807
The Company	Twentyshilling	Ministry of Defence	Guarantee	Seismic Array Equipment	1,800
The Company	Windy Rig	Santander	Counter-indemnity	Access rights, decommissioning, grid	1,409
The Company	Tom nan Clach	RBS	Unsecured guarantee	Decommissioning	1,348
The Company	Twentyshilling	NATS	Guarantee	Radar	1,244
The Company	Douglas West	Land owner	Guarantee	Decommissioning	1,200
The Company	Windy Rig	NATS	Guarantee	Radar	1,104
The Company	Stroupster	RBS	Unsecured guarantee	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	Twentyshilling	Santander	Counter-indemnity	Decommissioning	96
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
					184,269

The fair value of these guarantees and counter-indemnities provided by the Group are considered to be £nil (2021: £nil) as disclosed in note 2.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

11. Receivables

Group	31 December 2022 £'000	31 December 2021 £'000
Amounts due from SPVs (note 19)	1,648	1,798
VAT receivable	527	407
Prepayments	122	107
Other receivables	190	320
	2,487	**2,632**

Company	31 December 2022 £'000	31 December 2021 £'000
Prepayments	122	107
Other receivables	3	—
	125	**107**

12. Payables

Group	31 December 2022 £'000	31 December 2021 £'000
Loan interest payable (note 13)	5,490	2,788
Commitment fee payable (note 13)	402	344
Letter of credit fees payable (note 13)	324	—
Investment management fee payable	1,364	1,072
Acquisition costs payable	—	1,595
Share issue costs payable	—	10
Other payables	774	470
	8,354	**6,279**

Company	31 December 2022 £'000	31 December 2021 £'000
Loan interest payable (note 13)	5,490	2,788
Commitment fee payable (note 13)	402	344
Letter of credit fees payable (note 13)	324	—
Investment management fee payable	1,364	1,072
Share issue costs payable	—	10
Other payables	579	434
	8,159	**4,648**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

13. Loans and borrowings

Group and Company	31 December 2022 £'000	31 December 2021 £'000
Opening balance	950,000	1,100,000
Revolving credit facility		
Drawdowns	260,000	110,000
Repayments	(310,000)	(260,000)
Term debt facilities		
Drawdowns	200,000	—
Closing balance	**1,100,000**	**950,000**
Reconciled as:		
Current liabilities	150,000	—
Non current liabilities	950,000	950,000

Group and Company	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Loan interest	27,489	23,113
Commitment fees	3,114	921
Professional fees	1,163	138
Facility arrangement fees	500	6,375
Letter of credit fees	324	—
Other facility fees	185	142
Finance expense	**32,775**	**30,689**

The loan balance as at 31 December 2022 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 instruments' 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.

The terms of the revolving credit facility remain unchanged and comprise a margin of 1.75 per cent per annum and a commitment fee of 0.65 per cent per annum of any undrawn facility.

As at 31 December 2022 the Company has a total revolving credit facility of £600 million (2021: £600 million), of which amounts drawn were £200 million (2021: £250 million), accrued interest was £52,675 (2021: £12,554) and the outstanding commitment fee payable was £401,753 (2021: £343,699).

On 24 August 2022, the Company placed a letter of credit facility provided by Lloyds. The fee for this facility is 1.25 per cent and the fee payable, as at 31 December 2022, was £324,221 (2021: £nil).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

13. Loans and borrowings continued

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 %	All-in rate %	Loan principal £'000	Accrued interest at 31 December 2022 £'000
NAB	1 November 2023	1.20	1.42800	2.62800	75,000	319
NAB	1 November 2023	1.20	0.77250	1.97250	25,000	80
CBA	7 December 2023	1.00	0.11300	1.11300	50,000	88
NAB	4 November 2024	1.15	1.06100	2.21100	50,000	179
CBA	14 November 2024	1.35	0.80750	2.15750	50,000	171
CBA	6 March 2025	1.55	1.52650	3.07650	50,000	244
CIBC	3 November 2025	1.50	1.51030	3.01030	100,000	454
NAB	1 November 2026	1.50	1.59800	3.09800	75,000	376
NAB	1 November 2026	1.50	0.84250	2.34250	25,000	95
CIBC	14 November 2026	1.40	0.81325	2.21325	100,000	334
CBA	4 November 2027	1.60	1.36800	2.96800	100,000	472
AXA	31 January 2030	—	—	3.03000	125,000	1,618
AXA	31 January 2030	1.70	1.44500	3.14500	75,000	1,007
					900,000	**5,437**

Loans with maturity dates of less than 12 months amount to £150 million and are classified as current liabilities. The remaining term debt of £750 million is classified as non current liabilities.

£775 million of these term loans contain swaps. Accordingly, £700 million of these instruments have been treated as a single fixed rate loan agreement, which effectively set interest payable at fixed rates as:

- the contractual agreements for the loan and swap are directly linked, were executed at the same time and are not independently transferable on a commercial basis;
- there is a common counterparty for loan and swap instruments; and
- all loan and swap instruments are co terminus and their commercial and financial terms reflect each other.

The £75 million term loan with AXA is hedged with an interest swap with NAB, which demonstrates consistent characteristics with the other term loans and swaps other than the common counterparty. In such case the interest rate swap has not been recognised as a separate instrument at fair value and the Board is of the view that its fair value is not sufficiently material to be separately recognised.

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.

14. Contingencies and commitments

In April 2020, the Group announced that it had agreed to acquire the South Kyle wind farm project for a headline consideration of £320 million. The investment is scheduled to complete in Q2 2023 once the wind farm is fully operational.

In December 2020, the Group entered into an agreement to acquire 49.9 per cent of the Kype Muir Extension wind farm project for a headline consideration of £51.4 million, to be paid once the wind farm is fully operational (target Q2 2023). The Group also agreed to provide construction finance of up to £47 million, of which £38.0 million (2021: £10.6 million) had been utilised as at 31 December 2022.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

15. Share capital – ordinary shares of £0.01

Date	Authorised, issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2022		**2,317,097,822**	**23,171**	**2,468,940**	**2,492,111**
Shares issued to the Investment Manager					
4 February 2022	True-up of 2021 and Q1 2022 Equity Element	254,855	3	372	**375**
6 May 2022	Q2 2022 Equity Element	251,219	3	372	**375**
5 August 2022	Q3 2022 Equity Element	244,151	2	373	**375**
4 November 2022	Q4 2022 Equity Element	241,942	2	373	**375**
		992,167	10	1,490	**1,500**
Other					
1 January 2022	Less costs relating to 29 November 2021 share issue	—	—	(34)	**(34)**
31 December 2022		**2,318,089,989**	**23,181**	**2,470,396**	**2,493,577**

Date	Authorised, issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2021		**1,824,129,348**	**18,241**	**1,834,477**	**1,852,718**
Shares issued to the Investment Manager					
5 February 2021	True-up of 2020 and Q1 2021 Equity Element	308,798	3	372	**375**
7 May 2021	Q2 2021 Equity Element	306,862	3	372	**375**
6 August 2021	Q3 2021 Equity Element	299,438	3	372	**375**
5 November 2021	Q4 2021 Equity Element	290,685	3	372	**375**
		1,205,783	12	1,488	**1,500**
Other					
19 February 2021	Capital raise	150,853,600	1,509	196,109	**197,618**
19 February 2021	Less share issue costs	—	—	(2,933)	**(2,933)**
29 November 2021	Capital raise	340,909,091	3,409	446,591	**450,000**
29 November 2021	Less share issue costs	—	—	(6,792)	**(6,792)**
31 December 2021		**2,317,097,822**	**23,171**	**2,468,940**	**2,492,111**

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. 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 2022.

16. Net assets per share

Group and Company	31 December 2022	31 December 2021
Net assets – £'000	3,873,228	3,093,699
Number of ordinary shares issued	2,318,089,989	2,317,097,822
Total net assets – pence	**167.1**	**133.5**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

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

Group	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Operating profit for the year	986,638	393,908
Adjustments for:		
Unrealised movement in fair value of investments (note 9)	(446,096)	(155,551)
Investment acquisition costs	3,146	3,305
Decrease/(increase) in receivables	144	(1,995)
Increase in payables	519	1,094
Equity Element of Investment Manager's fee (note 3)	1,500	1,500
Net cash flows from operating activities	**545,851**	**242,261**

Company	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Operating profit for the year	986,638	393,908
Adjustments for:		
Unrealised movement in fair value of investments (note 9)	(1,019,502)	(418,125)
(Increase)/decrease in receivables	(19)	39
Increase in payables	434	1,010
Equity Element of Investment Manager's fee (note 3)	1,500	1,500
Net cash flows from operating activities	**(30,949)**	**(21,668)**

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 2022	**950,000**	**3,082**
Cash flows (net)	150,000	(29,689)
Movements in Statement of Comprehensive Income (note 13)	—	32,775
As at 31 December 2022	**1,100,000**	**6,168**

Group and Company	Loans and borrowings £'000	Other liabilities £'000
As at 1 January 2021	**1,100,000**	**3,369**
Cash flows (net)	(150,000)	(30,976)
Movements in Statement of Comprehensive Income (note 13)	—	30,689
As at 31 December 2021	**950,000**	**3,082**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

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 cash flow basis. Therefore, the value of these investments will be (amongst other risk factors) a function of the discounted value of their expected cash flows and, as such, will vary with movements in interest rates and competition for such assets. As disclosed in note 9, the key assumptions determining fair value of investments 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 3 per cent (2021: 1 per cent) represents the Investment Manager's assessment of a reasonably possible change in interest rates. Should the SONIA rate increase by 3 per cent, the annual interest due on the facility would increase by £6,000,000 (2021: £2,500,000) on the basis that the revolving credit facility is £200 million drawn (2021: £250 million). 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, NAB and AXA term debt facilities effectively set interest payable at a fixed rate for the full term of the loans, thereby mitigating the risks associated with the variability of cash flows 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 2022 are summarised below:

	Interest bearing			
Group	Fixed rate £'000	Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	19,783	**19,783**
Other receivables (note 11)	—	—	717	**717**
Investments (note 9)	1,087,081	—	3,872,231	**4,959,312**
	1,087,081	**—**	**3,892,731**	**4,979,812**
Liabilities				
Other payables (note 12)	—	—	(8,354)	**(8,354)**
Loans and borrowings (note 13)	(900,000)	(200,000)	—	**(1,100,000)**
	(900,000)	**(200,000)**	**(8,354)**	**(1,108,354)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

18. Financial risk management continued

Interest rate risk continued

The Group's interest and non-interest bearing assets and liabilities as at 31 December 2021 are summarised below:

Group	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	4,801	**4,801**
Other receivables (note 11)	—	—	727	**727**
Investments (note 9)	924,748	—	3,117,797	**4,042,545**
	924,748	**—**	**3,123,325**	**4,048,073**
Liabilities				
Other payables (note 12)	—	—	(6,279)	**(6,279)**
Loans and borrowings (note 13)	(700,000)	(250,000)	—	**(950,000)**
	(700,000)	**(250,000)**	**(6,279)**	**(956,279)**

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2022 are summarised below:

Company	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	2,446	**2,446**
Other receivables (note 11)	—	—	3	**3**
Investments (note 9)	—	—	4,978,816	**4,978,816**
	—	**—**	**4,981,265**	**4,981,265**
Liabilities				
Other payables (note 12)	—	—	(8,159)	**(8,159)**
Loans and borrowings (note 13)	(900,000)	(200,000)	—	**(1,100,000)**
	(900,000)	**(200,000)**	**(8,159)**	**(1,108,159)**

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2021 are summarised below:

Company	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	1,875	**1,875**
Investments (note 9)	—	—	4,046,365	**4,046,365**
	—	**—**	**4,048,240**	**4,048,240**
Liabilities				
Other payables (note 12)	—	—	(4,648)	**(4,648)**
Loans and borrowings (note 13)	(700,000)	(250,000)	—	**(950,000)**
	(700,000)	**(250,000)**	**(4,648)**	**(954,648)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

18. Financial risk management continued

Foreign currency risk

Foreign currency risk is defined as the risk that the fair values of future cash flows 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.

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, and having at least one common board director of Holdco and the respective wind farm SPVs in which the loan investments have been made.

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

Group	31 December 2022 £'000	31 December 2021 £'000
Other receivables (note 11)	717	727
Cash at bank	19,783	4,801
Loan investments (note 9)	1,087,081	924,748
	1,107,581	**930,276**

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

Company	31 December 2022 £'000	31 December 2021 £'000
Other receivables (note 11)	3	—
Cash at bank	2,446	1,875
Loan investments (note 9)	2,343,715	2,430,766
	2,346,164	**2,432,641**

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

Group	Rating	31 December 2022 £'000	31 December 2021 £'000
RBS International	A	17,505	3,099
The Crown Estate	n/a	2,278	1,702
		19,783	**4,801**

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

Company	Rating	31 December 2022 £'000	31 December 2021 £'000
The Crown Estate	n/a	2,278	1,702
RBS International	A	168	173
		2,446	**1,875**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

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 cash flows from operating, financing and investing activities to consider payment of dividends, repayment of the Company's outstanding debt or further investing activities.

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

Group – 31 December 2022	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	717	—	—	**717**
Cash at bank	19,783	—	—	**19,783**
Loan investments (note 9)	—	—	1,087,081	**1,087,081**
Liabilities				
Other payables (note 12)	(8,354)	—	—	**(8,354)**
Loans and borrowings	(185,768)	(819,975)	(212,815)	**(1,218,558)**
	(173,622)	**(819,975)**	**874,266**	**(119,331)**

Group – 31 December 2021	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	727	—	—	**727**
Cash at bank	4,801	—	—	**4,801**
Loan investments (note 9)	—	—	924,748	**924,748**
Liabilities				
Other payables (note 12)	(6,279)	—	—	**(6,279)**
Loans and borrowings	(24,694)	(912,688)	(102,529)	**(1,039,911)**
	(25,445)	**(912,688)**	**822,219**	**(115,914)**

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 cash flow amounts:

Company – 31 December 2022	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	3	—	—	**3**
Cash at bank	2,446	—	—	**2,446**
Loan investments (note 9)	—	—	2,343,715	**2,343,715**
Liabilities				
Other payables (note 12)	(8,159)	—	—	**(8,159)**
Loans and borrowings	(185,768)	(819,975)	(212,815)	**(1,218,558)**
	(191,478)	**(819,975)**	**2,130,900**	**1,119,447**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

18. Financial risk management continued

Liquidity risk continued

Company – 31 December 2021	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Cash at bank	1,875	—	—	**1,875**
Loan investments (note 9)	—	—	2,430,766	**2,430,766**
Liabilities				
Other payables (note 12)	(4,648)	—	—	**(4,648)**
Loans and borrowings	(24,694)	(912,688)	(102,529)	**(1,039,911)**
	(27,467)	**(912,688)**	**2,328,237**	**1,388,082**

The Group and Company will use cash flow 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

Amounts paid to the Directors during the year are as outlined in the Directors' Remuneration Report on pages 39 to 42. £39,927 (2021: £38,060) of employer's national insurance was paid on non-executive Directors' fees during the year.

During the year, the Company increased its loan to Holdco by £260,811,425 (2021: £499,800,000) and Holdco settled amounts of £347,862,031 (2021: £203,989,872). The amount outstanding at the year end was £2,343,715,214 (31 December 2021: £2,430,765,820).

During the year, Holdco received £2,847,873 (2021: £2,420,077) in relation to renewables obligation proceeds on behalf of Bin Mountain, Carcant and Tappaghan. Amounts due to these investee companies as at 31 December 2022 were £nil (2021: £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 (2021: £800,000) was paid from Holdco to the Company under this agreement and amounts due to the Company at the year end were £nil (2021: £nil).

Holdco has Management Service Agreements in place with various wind farms. Total amounts received by Holdco, amounts paid to the Investment Manager and amounts paid to the Administrator during the year, are outlined in the table below.

As at 31 December 2022, £230,214 (2021: £490,236) was due from Bicker Fen, £120,135 (2021: £1,292,390) was due from Fenlands, £869,799 (2021: £nil) was due from North Hoyle and £393,578 (2021: £nil) was due from Stroupster in respect of corporation tax payments made by Holdco.

As at 31 December 2022, under the terms of Management Services Agreements with the SPVs, Holdco was due to receive £899 from Bicker Fen, £899 from Fenlands and £32,588 from Windy Rig (2021: £15,171 from Andershaw).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

19. Related party transactions continued

	For the year ended 31 December 2022		
	Income received £	Expenses paid to the Investment Manager £	Expenses paid to the Administrator £
Andershaw, Bishopthorpe, Brockaghboy, Church Hill, Corriegarth, Crighshane, Douglas West, Glen Kyllachy[1], Langhope Rig, North Hoyle, Screggagh, Slieve Divena, Slieve Divena 2, Stroupster, Tom Nan Clach, Twentyshilling[2], Windy Rig[3]: £52,102 income receivable per wind farm per annum £26,051 expenses payable to the Investment Manager per wind farm per annum £26,051 expenses payable to the Administrator per wind farm per annum	864,312	432,156	432,156
Bin Mountain, Braes of Doune, Carcant, Cotton Farm, Drone Hill, Earl's Hall Farm, Kildrummy, Maerdy, North Rhins, Sixpenny Wood, Tappaghan, Yelvertoft: £39,077 income receivable per wind farm per annum £13,026 expenses payable to the Investment Manager per wind farm per annum £26,051 expenses payable to the Administrator per wind farm per annum	468,922	156,307	312,615
Dunmaglass Holdco, Stronelairg Holdco: £7,848 income receivable per wind farm per annum £nil expenses payable to the Investment Manager per wind farm per annum £7,848 expenses payable to the Administrator per wind farm per annum	15,697	—	15,697
Bicker Fen, Fenlands: £2,997 income receivable per wind farm per annum £2,997 expenses payable to the Investment Manager per wind farm per annum £nil expenses payable to the Administrator per wind farm per annum	5,994	5,994	—
Walney Holdco: £19,746 income receivable per annum £9,873 expenses payable to the Investment Manager per annum £9,873 expenses payable to the Administrator per annum	19,746	9,873	9,873
Humber Holdco: £7,744 income receivable per wind farm per annum £nil expenses payable to the Investment Manager per wind farm per annum £7,744 expenses payable to the Administrator per wind farm per annum	7,744	—	7,744
Total	**1,382,415**	**604,330**	**778,085**

(1) Acquired in December 2021. £53,396 income received and £26,698 paid to the Investment Manager during the year.

(2) Acquired in June 2022. £27,157 income received and £13,579 paid to the Investment Manager during the year.

(3) Acquired in December 2021. £54,326 income received and £27,163 paid to the Investment Manager during the year.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

19. Related party transactions continued

	For the year ended 31 December 2021		
	Income received £	Expenses paid to the Investment Manager £	Expenses paid to the Administrator £
Andershaw[1], Bishopthorpe, Brockaghboy, Church Hill, Corriegarth, Crighshane, Langhope Rig, North Hoyle, Screggagh, Slieve Divena, Slieve Divena 2, Stroupster, Tom Nan Clach: £48,445 income receivable per wind farm per annum £24,223 expenses payable to the Investment Manager per wind farm per annum £24,223 expenses payable to the Administrator per wind farm per annum	593,984	296,992	296,992
Bin Mountain, Braes of Doune, Carcant, Cotton Farm, Drone Hill, Earl's Hall Farm, Kildrummy, Maerdy, North Rhins, Sixpenny Wood, Tappaghan, Yelvertoft: £36,334 income receivable per wind farm per annum £12,111 expenses payable to the Investment Manager per wind farm per annum £24,223 expenses payable to the Administrator per wind farm per annum	436,007	145,336	290,671
Douglas West: Q1-3: £26,582 income receivable per annum £18,167 expenses payable to the Investment Manager per annum £8,415 expenses payable to the Administrator per annum Q4: £12,111 income receivable per annum £6,056 expenses payable to the Investment Manager per annum £6,056 expenses payable to the Administrator per annum	38,694	24,223	14,471
Dunmaglass Holdco, Stronelairg Holdco: £14,595 income receivable per wind farm per annum £nil expenses payable to the Investment Manager per wind farm per annum £14,595 expenses payable to the Administrator per wind farm per annum	14,595	—	14,595
Bicker Fen, Fenlands: £5,573 income receivable per wind farm per annum £5,573 expenses payable to the Investment Manager per wind farm per annum £nil expenses payable to the Administrator per wind farm per annum	5,574	5,574	—
Walney Holdco: £19,790 income receivable per annum £9,895 expenses payable to the Investment Manager per annum £9,895 expenses payable to the Administrator per annum	19,790	9,895	9,895
Humber Holdco[2]: £7,969 income receivable per wind farm per annum £nil expenses payable to the Investment Manager per wind farm per annum £7,969 expenses payable to the Administrator per wind farm per annum	7,969	—	7,969
Total	**1,116,613**	**482,020**	**634,593**

(1) Acquired in September 2021. £12,642 income received and £6,321 paid to the Investment Manager during the year.

(2) Acquired in December 2020. £7,969 income received and £nil paid to the Investment Manager during the year.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

19. Related party transactions continued

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

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Humber Holdco[1]	53,017	31,853
Clyde	51,055	21,654
Stronelairg Holdco[2]	33,733	7,019
Corriegarth	32,463	13,778
Walney Holdco[3]	28,890	14,441
Braes of Doune	28,724	11,110
North Hoyle	27,730	8,193
Brockaghboy	18,763	14,331
SYND Holdco[4]	18,695	8,303
Fenlands[5]	16,937	7,993
ML Wind[6]	16,317	6,664
Andershaw	15,599	15,150
Windy Rig	14,942	—
Douglas West	14,250	—
Dunmaglass Holdco[7]	13,177	3,801
Rhyl Flats	13,099	6,163
Glen Kyllachy	11,300	—
Langhope Rig	9,287	3,075
Tappaghan	9,221	4,484
Little Cheyne Court	9,184	3,649
Maerdy	9,038	4,382
Twentyshilling	8,384	—
Bishopthorpe	7,952	4,208
Slieve Divena	7,951	3,295
Hoylake[8]	7,342	—
Screggagh	6,477	2,427
Bicker Fen	6,382	2,566
Crighshane	5,677	820
Slieve Divena 2	5,490	2,714
Kildrummy	4,614	3,407
Cotton Farm	4,467	4,621
Church Hill	4,050	903
Carcant	3,237	1,601
Bin Mountain	3,168	1,764
Stroupster	3,021	8,491
Earl's Hall Farm	2,264	3,468
	525,897	**226,328**

(1) The Group's investment in Humber Gateway is held through Humber Holdco.
(2) The Group's investment in Stronelairg is held through Stronelairg Holdco.
(3) The Group's investment in Walney is held through Walney Holdco.
(4) The Group's investments in Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft are held through SYND Holdco.
(5) The Group's investments in Deeping St. Nicholas, Glass Moor, Red House and Red Tile are held through Fenlands.
(6) The Group's investments in Middlemoor and Lindhurst are held through ML Wind.
(7) The Group's investment in Dunmaglass is held through Dunmaglass Holdco.
(8) The Group's investment in Burbo Bank Extension is held through Hoylake.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

19. Related party transactions continued

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

	For the year ended 31 December 2022 £'000	For the year ended 31 December 2021 £'000
Walney Holdco[1]	11,244	13,051
Hoylake[2]	6,706	—
Stronelairg Holdco[3]	5,197	5,194
Clyde	4,206	4,394
Dunmaglass Holdco[4]	3,412	3,410
Glen Kyllachy	3,085	—
Douglas West	2,947	2,505
Tom nan Clach	2,809	2,996
Corriegarth	2,658	3,410
Windy Rig	2,309	—
Andershaw	2,125	182
Slieve Divena 2	1,329	1,714
Crighshane	1,283	1,906
Twentyshilling	1,005	—
Church Hill	944	1,042
	51,259	**39,804**

(1) The Group's investment in Walney is held through Walney Holdco.

(2) The Group's investment in Burbo Bank Extension is held through Hoylake.

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

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

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

	Loans at 1 January 2022[1] £'000	Loans advanced in the period[2] £'000	Loan repayments in the year £'000	Loans at 31 December 2022 £'000	Accrued interest at 31 December 2022 £'000	Total £'000
Andershaw	32,641	—	—	32,641	166	**32,807**
Church Hill	14,702	—	(872)	13,830	50	**13,880**
Clyde	71,503	—	—	71,503	1,026	**72,529**
Corriegarth	42,553	—	—	42,553	322	**42,875**
Crighshane	22,264	—	(1,767)	20,497	74	**20,571**
Douglas West	43,648	—	(400)	43,248	15	**43,263**
Dunmaglass Holdco[3]	56,864	—	—	56,864	860	**57,724**
Glen Kyllachy	51,470	—	(2,694)	48,776	7	**48,783**
Hornsea 1 Holdco[4]	—	109,475	—	109,475	2,354	**111,829**
Hoylake[5]	172,279	5,841	—	178,120	—	**178,120**
Kype Muir	10,606	28,809	—	39,415	—	**39,415**
Slieve Divena 2	22,182	—	(804)	21,378	87	**21,465**
Stronelairg	86,619	—	—	86,619	1,310	**87,929**
Tom nan Clach	80,654	—	(6,945)	73,709	476	**74,185**
Twentyshilling	—	32,190	—	32,190	5	**32,195**
Walney Holdco[6]	172,727	—	—	172,727	—	**172,727**
Windy Rig	36,772	—	—	36,772	12	**36,784**
	917,484	**176,315**	**(13,482)**	**1,080,317**	**6,764**	**1,087,081**

(1) Excludes accrued interest at 31 December 2021 of £7,264,193.

(2) Includes capitalised interest of £1,367,912 for Kype Muir Extension and £5,841,418 for Hoylake.

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

(4) The Group's investment in Hornsea 1 is held through Hornsea 1 Holdco.

(5) The Group's investment in Burbo Bank Extension is held through Hoylake.

(6) The Group's investment in Walney is held through Walney Holdco.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2022

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 23 January 2023, the Company announced a dividend of £44.7 million, equivalent to 1.93 pence per share with respect to the quarter ended 31 December 2022, bringing the total dividend declared with respect to the year to 31 December 2022 to 7.72 pence per share. The record date for the dividend was 10 February 2023 and the payment date is 24 February 2023.

Company Information

Directors (all non-executive)
Shonaid Jemmett-Page (Chairman)
Martin McAdam
Lucinda Riches C.B.E.
Caoimhe Giblin
Nick Winser C.B.E.
William Rickett C.B.[1]

Investment Manager
Schroders Greencoat LLP
4th Floor, The Peak
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SW1V 1AN

Administrator and Company Secretary
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Depositary
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Northern Ireland Science Park
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Registrar
Computershare Limited
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Registered Company Number
08318092

Registered Office
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London
EC3M 3BY

Registered Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Joint Broker
RBC Capital Markets
100 Bishopsgate
London
EC2N 4AA

Joint Broker
Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

[1] Retired from the Board with effect from 28 April 2022.

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.

Ocorian 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 104 staff for the financial year ending 31 December 2022 was £31.5 million, consisting of £16.0 million fixed and £15.5 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 £2.1 million.

EU SFDR Disclosures (unaudited)

Annex V

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Greencoat UK Wind PLC (the "**Company**")

Legal entity identifier: 213800ZPBBK8H51RX165

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective? ***(tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments)***

✓ **YES**	☐ **NO**
✓ It made **sustainable investments with an environmental objective**: 100%	☐ It promoted **Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments
✓ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It made **sustainable investments with a social objective**: ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

To what extent was the sustainable investment objective of this financial product met?

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

The Company invests in operating UK wind farms, supporting the transition to net zero. The Company's aim is to provide investors with an annual dividend per Ordinary Share that increases in line with RPI inflation while preserving the capital value of its investment portfolio on a real basis over the long term, through reinvestment of excess cashflow.

The Company has sustainable investment as its objective within the meaning of Article 9 SFDR. More specifically, the Company is intended to contribute to the environmental objective of climate change mitigation on the basis of the activities of the assets targeted by the Company, which are wind power generation assets that help to facilitate the transition to a low carbon economy.

The Company does not have a carbon reduction objective and has not designated a reference benchmark for the purpose of attaining the sustainable investment objective.

As at 31 December 2022, the Company's portfolio comprises interests in 45 operating wind farms totalling 1,610MW capacity. In addition, the Company has committed to purchase a further two wind farms under construction, totalling 269MW capacity.

EU SFDR Disclosures (unaudited) continued

These sustainable investments contribute to the Company's sustainable investment objective as the electricity generated from wind farms can be used in place of non renewable energy sources, thereby helping to stabilise greenhouse gas concentrations in the atmosphere and contributing to climate change mitigation. These investments are considered environmentally sustainable in accordance with the technical screening criteria of the EU Taxonomy relating to the environmental objective of climate change mitigation and electricity generation from wind power.

- ***How did the sustainability indicators perform?***

  The sustainability indicators used to measure attainment of the sustainable investment objective of the Company performed as follows in the reporting period:

  - Renewable energy generated: 4,362GWh
  - Greenhouse gas emissions[1] avoided:
    - — Scope 1: 149 tonnes CO_2
    - — Scope 2: 1,422 tonnes CO_2
    - — Scope 3: 136,161 tonnes CO_2
  - Equivalent number of homes powered: 1.5 million

  Carbon footprint indicators are measured in line with the industry standard Greenhouse Gas Protocol based on an equity control approach, meaning emissions from the Group's operations are weighted according to the Group's proportionate ownership in its SPV investments.

  Scope emissions calculations are verified by third party consultants.

  Scope 3 emissions are the result of activities from assets not owned or controlled by the Group, but that the Group indirectly impacts in its value chain. Scope 3 emissions include all sources not within the Group's Scope 1 and 2 boundary and include, inter alia, emissions arising from the construction of each wind farm acquired in 2022, including those emissions associated with the manufacturing and transport of all equipment and material, before the wind farm was commissioned as well as the expected spare part provision throughout its lifetime.

- ***...and compared to previous periods?***

  Not applicable as this is the Company's first reporting period.

- ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

  The Investment Manager has sought to ensure that the Company's sustainable investments cause no significant harm to any sustainable investment objective by predominately investing in operating wind farms and by actively engaging and managing sustainability risks and opportunities for the Company and its investments prior to investment and on an ongoing basis once an investment has been made.

  Prior to each investment, the Investment Manager's Investment Committee, responsible for the Company, considered the Company's investment policy, investment restrictions and the Company's ESG Policy (a copy of which can be found on the Company's website, as well as the sustainability risks and opportunities identified during due diligence (including by means of an ESG checklist).

  Each investment made is held through SPVs and the Investment Manager has appointed directors to each of the boards of those SPVs to oversee all major strategic and operational decisions.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

[1] The units for greenhouse gas emissions had been incorrectly stated in the pre-investment disclosures and Annex 3 RTS on the Company's website in ktes CO_2e. The Company intends to report such emissions based on tonnes of CO_2.

EU SFDR Disclosures (unaudited) continued

Sustainability risks and opportunities have been fully embedded into the risk management framework at both Company and asset SPV level. A risk matrix has been set up for each new SPV, which includes sustainability risks and assesses risks (in respect of the likelihood of its occurrence and the impact of its occurrence) on a numerical scale.

Ongoing sustainability risks for the portfolio were monitored, managed and reported on by the Investment Manager to the Company's Board of Directors which has overall responsibility for the activities of the Company and its investments. During 2022, there were no material sustainability related incidents across the portfolio. Specifically with regards to health and safety, there were 6 lost time incidents.

In addition, the Company complied with the principles of good governance contained in the AIC Code, which ensures the Company is in accordance with the requirements of the UK Corporate Governance Code and provides a framework of best practice for listed investment companies.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Investment Manager considers the Principal Adverse Impacts ("**PAIs**") of its investment decisions relating to the Company on sustainability factors and this informs its approach to long term investment stewardship and stakeholder engagement.

As the Company predominantly targets investments in operating UK wind farms, the PAIs that are most relevant to the Company include (but are not limited to):

- Greenhouse gas emissions (Table 1 RTS: PAIs 1-6); and
- Number of workdays lost to injuries, accidents, or illness (Table 3 RTS: PAI 3)

The Investment Manager sought to mitigate the impact of the PAIs and other indicators considered in relation to the Company firstly by implementing the Company's ESG Policy, which has been developed in line with the Investment Manager's own ESG Policy. This sets guidance and principles for integrating sustainability across the Company's business and looks to establish best practice in climate related risk management, reporting and transparency. It outlines areas of focus for wind power generation assets including environment, workplace standards, health and safety practices, governance (including compliance with applicable laws and regulations) and local community engagements. It also includes a list of key performance indicators that are monitored and reported on (as appropriate). Sustainability factors were considered prior to investment as part of early stage screening, detailed due diligence and the Investment Committee's decision making, and are managed post acquisition in accordance with the Investment Manager's wider asset management practices.

A statement on principal adverse impacts on sustainability factors (the "**PAI Statement**"), including the list of PAI indicators and associated metrics considered in relation to the Company, can be found on the Company's website.

The Investment Manager considers the impacts reported within the PAI Statement do not constitute significant harm to any sustainable investment objective, as further described in the PAI Statement.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes – the Investment Manager believes that the Company's sustainable investments were aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (the "**Minimum Safeguards**").

EU SFDR Disclosures (unaudited) continued

During 2022, the Investment Manager conducted initial due diligence (for new investments) and ongoing monitoring (for existing investments) of the SPVs in which the underlying wind assets are held to ensure their alignment with the Minimum Safeguards.

Further, the Investment Manager ensured that the key service providers involved in the operations, maintenance and management of the SPVs acquired in 2022 comply with all applicable laws, rules, regulations and overarching principles in the countries where they operate. This covers anti bribery and corruption, financial crime, data protection and employment and health and safety laws (including those relating to human rights, human trafficking, modern slavery, and public safety). This was achieved, where possible, through the application of the Investment Manager's 'Code of Conduct' Side Letter or otherwise provided for in the key service provider contracts, and monitoring by the Investment Manager's risk function.

There has been no material change to any existing service providers, or any reports by the SPVs of any misalignment to the Minimum Safeguards.

For more information on how the sustainable investment objective of this financial product was met, please refer to the Company's ESG Report which can be found on the Company's website.

How did this financial product consider principal adverse impacts on sustainability factors?

See the response to the question above "How were the indicators for adverse impacts on sustainability factors taken into account."

What were the top investments of this financial product?

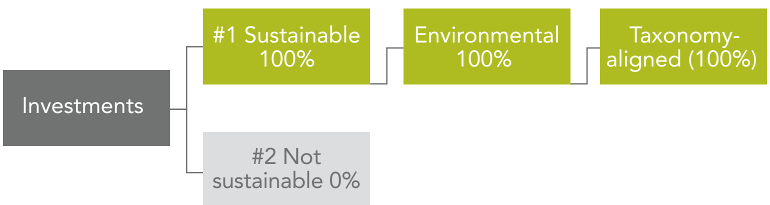
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period:

Largest investments	Sector	% Assets	Country
Hornsea 1	Wind	19%	UK
Humber Gateway	Wind	10%	UK
Clyde	Wind	8%	UK
Walney	Wind	8%	UK
Stronelairg	Wind	7%	UK
Corriegarth	Wind	4%	UK
Burbo Bank Extension	Wind	4%	UK
Brockaghboy	Wind	3%	UK
Dunmaglass	Wind	3%	UK
Tom nan Clach	Wind	2%	UK

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

- ***What was the asset allocation?***



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

EU SFDR Disclosures (unaudited) continued

- ***In which economic sectors were the investments made?***

  All of the Company's investments are in the economic sector "electricity generation from wind power" (activity 4.3 of the Climate Change Mitigation Technical Screening Criteria).

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

> Taxonomy-aligned activities are expressed as a share of:
> - **turnover** reflecting the share of revenue from green activities of investee companies
> - **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
> - **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

- ***Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[1]?***

  The Company did not make any investments in fossil gas or nuclear energy activities. In line with its Investment Policy, the Company will only invest in UK wind farms.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds*

2. Taxonomy-alignment of investments excluding sovereign bonds*

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- ***What was the share of investments made in transitional and enabling activities?***

  All activities of the Company are low-carbon activities so the share of investments in transitional and enabling activities is zero.

- ***How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?***

  Not applicable as this is the Company's first report produced with respect to the EU Taxonomy alignment of the Company's investments.

What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy

There was no share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy. 100 per cent of the Company's sustainable investments are in wind generation assets which are considered aligned with the EU Taxonomy in accordance with the relevant Technical Screening Criteria for climate change mitigation (activity 4.3).

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do no significant harm to any EU Taxonomy objective – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in the Commission Delegated Regulation (EU) 2022/1214

EU SFDR Disclosures (unaudited) continued

What was the share of socially sustainable investments?

0 per cent of the Company's investments are socially sustainable investments. The Company does not target sustainable investments with a social objective.

What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The were no investments included under "#2 Not sustainable".

What actions have been taken to attain the sustainable investment objective during the reference period?

The Investment Manager sought to attain the Company's sustainable investment objective by implementing the binding elements described in the Company's pre contractual disclosures (Annex 3 RTS) on a continuous basis, and by integrating sustainability risks in its investment decision making as described above: *"How did the sustainable investments not cause significant harm to any sustainable investment objective?"*.

Work is underway to enhance the Investment Manager's processes to measure and monitor the application of the binding elements. For example, the Investment Manager's ESG Policy, upon which the Company's ESG Policy has been developed, was updated in Q4 2022 to incorporate a list of investment exclusions with the effect of avoiding investment in activities which the Investment Manager believes to be incompatible with the Company's sustainable investment objective. Similarly, new investments are being assessed against the Technical Screening Criteria as part of normal course pre-investment screening and recorded as having been assessed in the Investment Committee papers, to determine the extent of EU Taxonomy alignment of the Company's sustainable investments.

Further, the Investment Manager continued to engage with stakeholders relevant to the Group's portfolio to ensure its renewable investments positively impact the communities in which they operate. Sustainability-related risks and challenges were regularly discussed within the Investment Manager's asset management teams which were also reported to and discussed with the Board through regular meetings and specific risk register review discussions. Key sustainability factors such as those relating to health and safety, compliance with environmental standards and stakeholder relations were regularly discussed and documented.

For more information on how the sustainable investment objective of this financial product was met, please refer to the Company's 2022 ESG Report which can be found on the Company's website.

How did this financial product perform compared to the reference sustainable benchmark?

Not applicable (N/A) as the Company does not have a carbon reduction objective and is not managed against a reference benchmark

- ***How did the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

EU SFDR Disclosures (unaudited) continued

Statement on principal adverse impacts "PAIs" of investment decisions on sustainability factors

Financial Product:

Greencoat UK Wind PLC (LEI: 213800ZPBBK8H51RX165) (the "**Company**"), managed by Schroders Greencoat LLP (the "**Investment Manager**")

1. Summary

The Investment Manager considers PAIs of its investment decisions on sustainability factors in relation to the Company. The present statement is the consolidated statement on PAIs on sustainability factors of the Company. This statement on principal adverse impacts on sustainability factors of the Company covers the reference period from 1 January to 31 December 2022.

The adverse sustainability indicators applicable to investee companies considered by the Investment Manager are summarised in the table below (including the relevant table and number associated with the adverse sustainability indicators listed in Annex I of the RTS[(1)]).

Theme	Adverse Sustainability Indicator	RTS Annex I Table	RTS Annex I Number
Climate and other environment-related indicators	Greenhouse gas ("GHG") emissions	1	1
	Carbon footprint	1	2
	GHG intensity of investee companies	1	3
	Exposure to companies active in the fossil fuel sector	1	4
	Share of non renewable energy consumption and production	1	5
	Energy consumption intensity per high impact climate sector	1	6
	Emissions to water	1	8
	Hazardous waste and radioactive waste ratio	1	9
	Natural species and protected areas	2	14
Social and employee, respect for human rights, anti corruption and anti bribery matters	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	1	10
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	1	11
	Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	1	14
	Number of days lost to injuries, accidents or illness	3	3
	Lack of a supplier code of conduct	3	4
	Lack of anti corruption and anti bribery policies	3	15

(1) The Regulatory Technical Standards accompanying the EU Sustainable Finance Disclosure Regulation.

EU SFDR Disclosures (unaudited) continued

2. Description of the PAIs on sustainability factors

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and Other Environment-Related Indicators						
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	149 tonnes of CO_2	N/A	Carbon footprint indicators are measured in line with the industry standard GHG Protocol based on an equity control approach, meaning emissions from the Group's operations are weighted according to the Group's SPV ownership interest. Scope emissions calculations are verified by third party consultants. Scope 3 emissions are the result of activities from assets not owned or controlled by the Group, but that the Group indirectly impacts in its value chain. Scope 3 emissions include all sources not within the Company's Scope 1 and 2 boundary and include, inter alia, emissions arising from the construction of each wind farm acquired in 2022, including those emissions associated with the manufacturing and transport of all equipment and material, before the wind farm was commissioned as well as the expected spare part provision throughout its lifetime.	The Board and the Investment Manager expect to take steps to reduce the Company's future Scope 1 and 2 GHG emissions in 2023.
		Scope 2 GHG emissions	1,422 tonnes of CO_2	N/A		
		Scope 3 GHG emissions	136,161 tonnes of CO_2	N/A		
		Total GHG emissions	137,732 tonnes of CO_2	N/A		
	2. Carbon footprint	Carbon footprint	137,732 tonnes of CO_2	N/A		
	3. GHG intensity of investee companies	GHG intensity of investee companies	148 tonnes of CO_2 / € million revenue	N/A		
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	0%	N/A	The Group does not have any exposure to the fossil fuel sector and will only invest in UK wind farms in accordance with its Investment Objective and Investment Policy.	At the end of 2022, the Investment Manager formalised its investment exclusion criteria with the effect of avoiding investment in activities that it believes to be incompatible with a sustainable investment objective. The full list of exclusions can be found in the Investment Manager's ESG Policy on the Investment Manager's website.
	5. Share of non renewable energy consumption and production	Share of non renewable energy consumption and non renewable energy production of investee companies from non renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	Production share: 0% non renewable. Consumption share: 38% non renewable.	N/A	The Group's wind farm portfolio generates renewable electricity that avoids the carbon emissions and air pollution that would have otherwise been generated using fossil fuels. These assets consume electricity in the generation of renewable electricty.	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in MWh per million EUR of revenue of investee companies, per high impact climate sector	0%	N/A		

EU SFDR Disclosures (unaudited) continued

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Climate and Other Environment-Related Indicators (continued)						
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A		
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	N/A	N/A		
Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters						
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A	The Company invests in UK wind farms which are held through special purpose vehicles ("SPVs"), which are standalone legal entities that typically do not have any employees. The SPVs outsource all operations, maintenance and management activities to third parties, through long term contracts. In 2023, the Investment Manager intends to commission a number of ethical audits on key service providers. The audit is expected to reflect direct and indirect workers: legislation, best practice, policies, recruitment processes, right to work, disciplinary processes, equal opportunities, welfare provision, working hours, rates of pay, bullying and harassment, modern slavery, occupational and mental health and freedom of association.	The Investment Manager conducts initial due diligence and provides ongoing monitoring of SPVs to ensure their alignment with the Minimum Safeguards. Where possible, the Investment Manager imposed obligations on the key service providers involved in the operations and management of the SPVs to ensure their ongoing compliance. In most instances, this was achieved by the Investment Manager's 'Code of Conduct Side Letter' (or an equivalent standard) which requires key service providers to comply with all applicable laws, rules, regulations and overarching principles in the countries where they operate (which includes the Minimum Safeguards). This covers anti bribery and corruption, financial crime, data protection and employment and health and safety laws (including those relating to human rights, human trafficking, modern slavery, and public safety). The Investment Manager aims to develop a standard methodology to assess the alignment of the key service providers with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

EU SFDR Disclosures (unaudited) continued

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Indicators for Social and Employee, Respect for Human Rights, Anti-Corruption and Anti-Bribery Matters (continued)						
Social and employee matters (continued)	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	N/A	N/A		The Investment Manager is enchancing its processes to monitor the percentage of outsourced operations and maintenance service providers with policies addressing the following issues: • bribery and corruption; • data protection and privacy (including cyber security); • governance, business ethics and integrity; • Modern Slavery; • environmental management; • workers' health and safety; and • community engagement.
	14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0%	N/A	Exposure to controversial weapons is not within the Company's Investment Objective and not permissible within its Investment Policy.	At the end of 2022, the Investment Manager formalised its investment exclusion criteria with the effect of avoiding investment in activities that it believes to be incompatible with a sustainable investment objective. The full list of exclusions can be found in the ESG Policy on the Investment Manager's website.

Table 2 Additional Climate and Other Environment Related Indicators

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Other Indicators for PAIs on Sustainability Factors						
Water, waste and material emissions	14. Natural species and protected areas	Share of investments in investee companies whose operations affect threatened species	N/A	N/A	All habitat management plans are agreed for relevant sites to ensure that the environment in and surrounding each wind farm is carefully protected.	Wind farms have the potential to have a negative environmental impact through the manufacturing and supply chain process or locally through the ongoing management of the projects. The Company's ESG policy helps to mitigate against these risks. The policies in place outline the environmental standards the Company aims to meet. There was and continues to be a strong commitment to continuous improvement of environmental management.
		Share of investments in investee companies without a biodiversity protection policy covering operational sites owned, leased, managed in a protected area or an area of high biodiversity value outside protected areas	Percentage of SPV investments without habitat management plans: 0%			

EU SFDR Disclosures (unaudited) continued

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Adverse sustainability indicator						
Social and employee matters	3. Number of days lost to injuries, accidents, or illness	Number of workdays lost to injuries, accidents, or illness in investee companies	Number of workdays lost: 46	N/A	A set of KPIs to improve health and safety management and performance is monitored continuously. These are reported at least on a monthly basis directly to the Investment Manager, the Directors of the SPVs, and the Board.	The Investment Manager has a specific Health, Safety and Environmental Plan in place, which is reviewed monthly by the Investment Manager's asset management team. It allows for efficient planning, monitoring and tracking of key management pillars. The plan includes policies, safety statements, audits, monthly meetings, a health and safety forum, incidents and developing trends reports, site visits, onboarding and training. There is a nominated Health and Safety Director for each fully owned wind farm SPV. The Board also reviews health and safety matters at each of its scheduled meetings. There are strong health and safety policies/statements in place at investee company. These are reviewed annually, and their implementation is audited externally by a specialist health and safety consultant. The portfolio's site operators conduct health and safety audits on the wind farms. These independent audits are undertaken to support continuous improvement in health and safety outcomes on the wind farm portfolio.

EU SFDR Disclosures (unaudited) continued

Adverse sustainability indicator		Metric	Impact 2022	Impact 2021	Explanation	Actions taken, and actions planned and targets set for the next reference period
Adverse sustainability indicator (continued)						
Social and employee matters (continued)	4. Lack of a supplier code of conduct	Share of investments in investee companies without any supplier code of conduct (against unsafe working conditions, precarious work, child labour and forced labour)	N/A	N/A	Where possible, the Investment Manager imposes obligations on the key service providers involved in the operations and management of the portfolio to ensure their ongoing compliance. In most instances, this was achieved by the Investment Manager's 'Code of Conduct Side Letter' (or an equivalent standard) which requires key service providers to comply with all applicable laws, rules, regulations and overarching principles in the countries where they operate (which includes the Minimum Safeguards). This covers anti bribery and corruption, financial crime, data protection and employment and health and safety laws (including those relating to human rights, human trafficking, modern slavery, and public safety). See '*Social and employee matters 10 – 14*' above.	See '*Social and employee matters 10 – 14*' above. The Board and the Investment Manager aims to develop appropriate methodology and will report on accordingly in 2023.
Anti corruption and anti bribery	15. Lack of anti corruption and anti bribery policies	Share of investments in entities without policies on anti corruption and anti bribery consistent with the United Nations Convention against Corruption	0%	N/A	Upon acquisition, all wholly owned SPV's are added to the Group anti corruption and anti bribery policies in place.	See '*Social and employee matters 10 – 14*' above. The Board and Investment Manager aim to develop appropriate methodology and will report on accordingly in 2023.

EU SFDR Disclosures (unaudited) continued

3. Description of policies to identify and prioritise PAIs on sustainability factors

The Investment Manager seeks to mitigate the impact of PAIs and other indicators considered in relation to the Company initially by implementing the Company's ESG Policy. The Company ESG Policy, which has been developed in line with the Investment Manager's ESG Policy (a copy of which can be found on the Investment Manager's website), sets guidance and principles for integrating sustainability across the Company's business and looks to establish best practice in climate related risk management, reporting and transparency. It outlines areas of focus for wind farms including environment, workplace standards, health and safety practices, governance (including compliance with applicable laws and regulations) and local community engagement. It also includes a list of KPIs that are monitored and reported on as appropriate. Sustainability factors are considered prior to investment as part of early stage screening, detailed due diligence and the Investment Manager's Investment Committee's decision making, and managed, post acquisition, in accordance with the Investment Manager's wider asset management practices.

The Company's ESG Policy is reviewed at least annually by the Investment Manager's ESG Committee and approved by the Board. It was last approved in April 2022.

In implementing its approach to integrating sustainability and the consideration of PAIs on sustainability factors, the Investment Manager does not rely on a dedicated team, but rather responsibilities are shared on a holistic basis:

- the investment and asset management team (as the first line of defence) who embed sustainability practices (including the consideration of PAIs on sustainability factors) into their investment decision making and ongoing management of the assets;
- a dedicated ESG Committee focused on developing the ESG Policy;
- the Investment Committees; and
- valuation independent of portfolio management and the Investment Manager's Risk Management Committee (as overseen by the AIFM).

Sustainability related risks and challenges are regularly discussed within the Investment Manager's asset management team and are also reported to and discussed with the Board at quarterly meetings. A specific risk matrix is also reviewed and approved on an annual basis by the Board. Key sustainability factors such as those relating to health and safety, compliance with environmental standards and stakeholder relations are regularly discussed and documented.

The boards of each SPV are responsible for ensuring sustainability factors are considered in the context of the operational performance, business objectives and broader stakeholder relationships. During the holding period, representatives of the Investment Manager will take one or more seats on the board of each SPV and will oversee all major strategic and operational decisions. Given this structure, outside health and safety risks and organisational (including governance) risks within the SPVs are limited. None of the SPVs have employees or management teams and therefore any employee related social factors are focused on the third party service providers.

The Investment Manager's ESG Committee is responsible for (i) determining the ESG Policy and reviewing it regularly to ensure it remains relevant to evolving conditions, (ii) developing and evolving sustainability integration practices for material sustainability factors within the different businesses and assets, (iii) leveraging existing resources and research capabilities on sustainability related topics for the benefit of the investment management team, and (iv) promoting education and awareness of sustainability trends and developments and sharing best practice.

The Investment Manager uses information provided directly from wind farm SPVs in relation to the PAIs. In order to ensure data quality, the Investment Manager works with specialist external advisers, such as environmental consultants. These advisers review the Investment Manager's methodologies for identifying and prioritising PAIs and advise on industry best practices.

EU SFDR Disclosures (unaudited) continued

The data collected as described above is processed as follows:

- KPI data is sourced directly from SPVs and supplemented by specialist external advisers such as environmental consultants, as required;
- operations and maintenance service providers used by the SPVs report to the Investment Manager, on a monthly basis, on a standard set of KPIs and qualitative factors, such as health and safety, compliance with relevant laws and regulations, local community engagement and habitat management, where relevant; and
- carbon footprint indicators are measured in line with the industry standard GHG Protocol based on an equity control approach, meaning emissions from the Company's operations are weighted according to the Company or its SPV's ownership interest. Scope emissions calculations will be verified by third party consultants.

In some instances, the Company may need to use estimates or proxy data. Where estimated data is used it will typically represent the minority of data used and will be based upon reasonable assumptions and appropriate comparators. The Board and the Investment Manager will act reasonably in using estimated or proxy data. As the use of such data will vary on a case-by-case basis, it is not possible to provide a proportion of estimated data.

Engagement policies

The Company is committed to engaging with all stakeholders relevant to its portfolio to ensure its renewable investments positively impact the communities in which they operate. The Board and Investment Manager recognise that engagement is critical to long term sustainable investment and seek to build strong, long term relationships with high-quality, experienced counterparties to give consistency of service and standards.

References to international standards

The Company proactively engages with the following responsible business codes and/or internationally recognised standards to promote sustainable investment practices, as discussed in the Company's ESG report available on its website:

1. Task Force on Climate Related Financial Disclosures ("TCFD")

Relevant for Table 1, PAI 1-5 (Greenhouse gas emissions)

The Company aligns with the TCFD recommendations and makes disclosures in the Strategic Report on pages 29 to 32. These disclosures report on climate change related impacts, opportunities and risks to the Company. Given the Company's long term investment perspective, the Board and the Investment Manager constantly assess the risks its portfolio might be exposed to and factors them into decision making and risk monitoring.

EU SFDR Disclosures (unaudited) continued

2. UN Principles of Responsible Investment ("PRI")

The Investment Manager has been a signatory to the PRI since 2016, committed to adopting the PRI's 6 principles of responsible investment.

Principle 1: We will incorporate ESG issues into investment analysis and decision making processes	We have embedded practices that consider ESG risks and opportunities across all of our investment teams, each applying them as applicable, across investment identification (screening), due diligence and ongoing management of the assets
Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices	Where applicable, ESG considerations are embedded within our policies and approach to good governance and oversight. For example, SPVs may have specific ESG considerations to address based on the nature of the assets they own, the maturity of the project or asset and the third party service providers engaged to manage the assets. The SPV boards will develop their policies and practices accordingly
Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest	We undertake a robust investment due diligence process, which includes ESG factors, when making an investment and will reject any that have unacceptable ESG related risks which cannot be mitigated
Principle 4: We will promote acceptance and implementation of PRI within the investment industry	We support the PRI through attendance at its conferences and forums
Principle 5: We will work together to enhance our effectiveness in implementing PRI	We proactively share our learnings and approaches to ESG across our teams and we engage with investors on our PRI reporting as and when requested. Our PRI reporting forms the foundation for relevant elements of our investor Due Diligence Questionnaires and Requests for Proposal
Principle 6: We will each report on our activities and progress towards implementing PRI	Since becoming a PRI signatory, we have continued to report each year as required and make these reports available to investors who request them

Historical comparison

None available. The earliest historical comparison will be provided in periodic reporting in respect of financial year ending December 2023.

EU SFDR Disclosures (unaudited) continued

Annex

Defined terms used in this statement

For the purposes of this statement, the following definitions shall apply:

(1) **Scope 1, 2 and 3 GHG emissions** means the scope of greenhouse gas emissions referred to in points (1)(e)(i) to (iii) of Annex III to Regulation (EU) 2016/1011 of the European Parliament and of the Council[(2)];

(2) **Greenhouse gas ("GHG") emissions** means greenhouse gas emissions as defined in Article 3, point (1), of Regulation (EU) 2018/842 of the European Parliament and of the Council[(3)];

(3) **Weighted average** means a ratio of the weight of the investment by the financial market participant in a investee company in relation to the GAV of the investee company;

(4) **Companies active in the fossil fuel sector** means companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council[(4)];

(5) **Renewable energy sources** means renewable non fossil sources, namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas;

(6) **Non renewable energy sources** means energy sources other than those referred to in point (5);

(7) **Energy consumption intensity** means the ratio of energy consumption per unit of activity, output or any other metric of the investee company to the total energy consumption of that investee company;

(8) **Protected area** means designated areas in the European Environment Agency's Common Database on Designated Areas (CDDA);

(9) **High impact climate sectors** means the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council[(5)];

(10) **Area of high biodiversity value outside protected areas** means land with high biodiversity value as referred to in Article 7b(3) of Directive 98/70/EC of the European Parliament and of the Council[(6)];

(11) **Emissions to water** means direct emissions of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council[(7)] and direct emissions of nitrates, phosphates and pesticides;

(12) **Hazardous waste** means hazardous waste as defined in Article 3(2) of Directive 2008/98/EC of the European Parliament and of the Council[(8)];

(2) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

(3) Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

(4) Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1).

(5) Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains Text with EEA relevance (OJ L 393, 30.12.2006, p. 1–39).

(6) Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC (OJ L 350, 28.12.1998, p. 58).

(7) Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1).

(8) Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008, p. 3).

EU SFDR Disclosures (unaudited) continued

(13) **Radioactive waste** means radioactive waste as defined in Article 3(7) of Council Directive 2011/70/Euratom[9];

(14) **Threatened species** means endangered species, including flora and fauna, listed in the European Red List or the IUCN Red List, as referred to in Section 7 of Annex II to Delegated Regulation (EU) 2021/2139;

(15) **UN Global Compact principles** means the ten Principles of the United Nations Global Compact; and

(16) **Board** means the Directors of the Company.

For the purposes of this Annex, the following formulas shall apply:

(1) 'GHG emissions' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ wind\ farm\ SPV_i}{fair\ value\ of\ wind\ farm\ SPV_i} \times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

(2) 'carbon footprint' shall be calculated in accordance with the following formula:

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ wind\ farm\ SPV_i}{fair\ value\ of\ wind\ farm\ SPV_i} \times investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€m)}$$

(3) 'GHG intensity of investee companies' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€m)} \times \frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €m\ revenue_i}\right)$$

(4) 'GHG intensity of sovereigns' shall be calculated in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€m)} \times \frac{The\ country's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{Gross\ Domestic\ Product_i(€m)}\right)$$

(5) 'inefficient real estate assets' shall be calculated in accordance with the following formula:

$$\frac{((Value\ of\ real\ estate\ assets\ built\ before\ 31/12/2020\ with\ EPC\ of\ C\ or\ below) + (Value\ of\ real\ estate\ assets\ built\ after\ 31/12/2020\ with\ PED\ below\ NZEB\ in\ Directive\ 2010/31/EU))}{Value\ of\ real\ estate\ assets\ required\ to\ abide\ by\ EPC\ and\ NZEB\ rules}$$

For the purposes of the formulas, the following definitions shall apply:

(1) **Current value of investment** means the value in EUR of the investment by the financial market participant in the investee company;

(2) **Current value of all investments** means the value in EUR of all investments by the financial market participant;

(3) **Nearly zero energy building (NZEB), primary energy demand (PED) and energy performance certificate (EPC)** shall have the meanings given to them in paragraphs 2, 5 and 12 of Article 2 of Directive 2010/31/EU of the European Parliament and of the Council[10].

[9] Council Directive 2011/70/Euratom of 19 July 2011 establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste (OJ L 199, 2.8.2011, p. 48).

[10] Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast) (OJ L 153, 18.6.2010, p. 13)

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

Alternative Performance Measure means a financial measure other than those defined or specified in the applicable financial reporting framework

Andershaw means Andershaw Wind Power Limited

AUM means Assets Under Management

AXA means funds managed by AXA Investment Managers UK Limited

Barclays means Barclays Bank PLC

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

Burbo Bank Extension means Hoylake Wind Limited, Greencoat Burbo Extension Holding (UK) Limited, Burbo Extension Holding Limited and Burbo Extension 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

CO_2 means carbon dioxide

Company means Greencoat UK Wind PLC

Corriegarth means Corriegarth Wind Energy Limited

Cotton Farm means Cotton Farm Wind Farm Limited

CPI means the Consumer Price Index

Crighshane means Crighshane Wind Farm Limited

DCF means Discounted Cash Flow

Deeping St. Nicholas means Deeping St. Nicholas wind farm

Douglas West 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

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

ESG means Environmental, Social and Governance

Defined Terms continued

EU SFDR means EU Sustainable Financial Disclosure Regulation

Fenlands means Fenland Windfarms Limited

FRC means the Financial Reporting Council

GAV means Gross Asset Value

GB means Great Britain

Glass Moor means Glass Moor wind farm

Glen Kyllachy means Glen Kyllachy Wind Farm Limited

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

Holdco means Greencoat UK Wind Holdco Limited

Hornsea 1 means Hornsea 1 Holdco and Hornsea 1 Limited

Hornsea 1 Holdco means Jupiter Investor TopCo Limited

Hoylake means Hoylake Wind Limited

Humber Gateway means Humber Holdco and Humber Wind Farm

Humber Holdco means Greencoat Humber Limited

Humber Wind Farm means RWE Renewables UK Humber Wind Limited

IAS means International Accounting Standards

IFRS means International Financial Reporting Standards

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

Investment Manager means Schroders Greencoat 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

Kype Muir Extension means Kype Muir Extension Wind Farm

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

Lloyds means Lloyds Bank PLC

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

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

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

RBC means the Royal Bank of Canada

RBS International means the Royal Bank of Scotland International Limited

Red House means Red House wind farm

Red Tile means Red Tile wind farm

REMA means Government's Review of Electricity Market Arrangements

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

Defined Terms continued

Sixpenny Wood means Sixpenny Wood Wind Farm Limited

Slieve Divena means Slieve Divena Wind Farm Limited

Slieve Divena 2 means Slieve Divena Wind Farm No. 2 Limited

SONIA means the Sterling Overnight Index Average

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

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 Limited

SYND Holdco means SYND Holdco Limited

Tappaghan means Tappaghan Wind Farm (NI) Limited

TCFD means Task Force on Climate-Related Financial Disclosures

Tom nan Clach means Breeze Bidco and Nanclach

TSR means Total Shareholder Return

Twentyshilling means Twentyshilling Limited

UK means the United Kingdom of Great Britain and Northern Ireland

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

UREGNI means the Utility Regulator in Northern Ireland

Walney means Walney Holdco and Walney Wind Farm

Walney Holdco means Greencoat Walney Holdco Limited

Walney Wind Farm means Walney (UK) Offshore Windfarms Limited

Windy Rig means Windy Rig Wind Farm Limited

Yelvertoft means Yelvertoft Wind Farm Limited

Alternative Performance Measures

Performance Measure	Definition
Aggregate Group Debt	The Group's proportionate share of outstanding third party borrowings
CO_2 emissions avoided per annum	The estimate of the portfolio's annual CO_2 emissions avoided through the displacement of thermal generation, based on the portfolio's estimated generation as at the relevant reporting date
GAV	Gross Asset Value
Homes powered per annum	The estimate of the number of homes powered by electricity generated by the portfolio, based on the portfolio's estimated generation as at the relevant reporting date
NAV	Net Asset Value
NAV movement per share (adjusting for dividends)	Movement in the ex-dividend Net Asset Value per ordinary share during the year
NAV per share	The Net Asset Value per ordinary share
Net cash generation	The operating cash flow of the Group and wind farm SPVs
Premium to NAV	The percentage difference between the published NAV per ordinary share and the quoted price of each ordinary share as at the relevant reporting date
Total return (NAV)	The movement in the ex-dividend NAV per ordinary share, plus dividend per ordinary share declared or paid to shareholders with respect to the year
Total Shareholder Return	The movement in share price, combined with dividends paid, on the assumption that these dividends have been reinvested

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.