Greencoat UK Wind PLC

Annual Report

For the year ended 31 December 2021

GREENCOAT UK WIND

Contents

All capitalised terms are defined in the list of defined terms on pages 98 to 100 unless separately defined.

Summary

Greencoat UK Wind PLC is the leading listed renewable infrastructure fund, invested in UK wind farms. The Company's aim is to provide investors with an annual dividend that increases in line with RPI inflation while preserving the capital value of its investment portfolio in the long term on a real basis through reinvestment of excess 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 2,933GWh of renewable energy.
- Net cash generation (Group and wind farm SPVs) was £256.8 million.
- Acquisition of the remaining 50 per cent interest in Braes of Doune, investments in Andershaw, Burbo Bank Extension, Windy Rig and Glen Kyllachy, and the commissioning of Douglas West increased the portfolio to 43 operating wind farm investments and net generating capacity to 1,422MW as at 31 December 2021.
- Issuance of further shares raising £648 million.
- The Company declared total dividends of 7.18 pence per share with respect to the year and is targeting a dividend of 7.72 pence per share for 2022 (increased in line with December 2021 RPI).
- £950 million outstanding borrowings as at 31 December 2021, equivalent to 23 per cent of GAV.

Key Metrics

	As at 31 December 2021	As at 31 December 2020
Market capitalisation	£3,257.8 million	£2,448.0 million
Share price	140.6 pence	134.2 pence
Dividends with respect to the year	£148.0 million	£118.7 million
Dividends with respect to the year per share	7.18 pence	7.10 pence
GAV	£4,043.7 million	£3,329.9 million
NAV	£3,093.7 million	£2,229.9 million
NAV per share	133.5 pence	122.2 pence
NAV movement per share (adjusting for dividends)	11.3 pence	0.7 pence
Total return (NAV)	15.4 per cent	6.5 per cent
TSR	10.7 per cent	(6.2) per cent
CO_2 emissions reduced per annum	1.7 million tonnes	1.5 million tonnes
Homes powered per annum	1.5 million homes	1.2 million homes
Funds invested in community projects in the year	£3.0 million	£3.8 million

Alternative Performance Measures are defined on page 101.

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 £80 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 2021.

Performance

2021 was another significant year of growth for the Company with £570 million invested and £648 million of new equity raised.

During the year, portfolio generation was low, 20 per cent below budget, at 2,933GWh. Power prices were significantly above budget, primarily reflecting high gas prices in the second half of the year. Net cash generated by the Group and wind farm SPVs was £256.8 million, providing cover of 1.9x on £138.8 million of dividends paid in the year.

By the end of 2021, the portfolio was generating sufficient electricity to power 1.5 million homes and avoiding carbon dioxide emissions of approximately 1.7 million tonnes per annum through the displacement of thermal generation.

Dividends and Returns

Declared dividends for the year total 7.18 pence per share, with the fourth and final quarterly dividend of 1.795 pence per share to be paid on 25 February 2022. With our continuing strong cash flow and robust dividend cover we can confidently target a dividend of 7.72 pence per share with respect to 2022, increased in line with December's RPI of 7.5 per cent.

NAV per share increased from 120.4 pence per share (ex dividend) on 31 December 2020 to 131.7 pence per share (ex dividend) on 31 December 2021, an increase of 11.3 pence (9.4 per cent) during the year, primarily reflecting high short term power prices. Since listing, NAV has increased by more than RPI, as can be seen on the chart on page 16.

The Total Shareholder Return for the year was 10.7 per cent.

Acquisitions

2021 has been an active investment year for us. In February, we acquired the remaining 50 per cent shareholding in Braes of Doune wind farm for £48 million. In September, we acquired Andershaw wind farm for £121 million and commissioned Douglas West wind farm (investing a further £25 million during the year). In November, we invested £250 million in Burbo Bank Extension wind farm and in December we acquired Windy Rig and Glen Kyllachy wind farms once commissioning had been completed for £55 million and £59 million respectively. During the year, we have also provided £11 million of construction finance to Kype Muir Extension wind farm (target commissioning in Q4 2022).

Douglas West, Windy Rig and Glen Kyllachy are the Company's first 3 subsidy free projects and sit alongside Burbo Bank Extension and Tom nan Clach, the Company's 2 CFD projects. The remaining 38 wind farms are all accredited under the ROC regime. The Group's offshore fleet accounts for 33 per cent of assets by value.

Equity Issuance

In order to finance our continuing growth and pursue value creating opportunities, we issued 151 million new shares on 19 February 2021 at a price of 131 pence per share, raising gross proceeds of £198 million. On 29 November 2021 we issued a further 341 million new shares at a price of 132 pence per share, raising gross proceeds of £450 million. Both equity raises were oversubscribed and priced at a premium to NAV per share.

Gearing

In November, the Company's revolving credit facility was increased to £600 million. £150 million term debt maturing in 2022 was also refinanced with longer dated term debt with existing lenders. In December, we entered into a new £200 million term debt facility with AXA, which was utilised on 31 January 2022 to reduce borrowings under the revolving credit facility to £50 million (£250 million as at 31 December 2021). Longer term borrowing, now totalling £900 million, consists of various maturities to 31 January 2030, thus reducing financing risk. The Group's gearing of £950 million as at 31 December 2021 equates to 23 per cent of GAV and the weighted average cost of borrowing is 2.6 per cent.

Chairman's Statement continued

Gearing continued

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

Strategy and Outlook

Wind continues to be the most mature and widely deployed renewable energy technology in the UK. In November 2021, the UK hosted the COP26 conference in Glasgow, with the Prime Minister playing a clear role in encouraging the delivery of 2050 net zero emissions targets. A key part of that plan for the UK is a 40GW offshore wind target for 2030.

Our Investment Objective has remained unchanged over the last 9 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 strictly to this core strategy.

Growth by acquisition brings benefits to shareholders as:

- a larger scale brings economies and enables better terms to be obtained from suppliers;
- equity 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 (during 2021 on average 14.1 million of the Company's shares were traded weekly on the London Stock Exchange).

Significantly, during 2021 we made £570 million of investments, of which 30 per cent were in ROC accredited wind farms, 44 per cent in CFD projects and 26 per cent in subsidy free projects. We expect to continue to see attractive CFD 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 robust dividend cover, coupled with our disciplined approach, we are confident in our ability to continue to meet the objectives of dividend growth in line with RPI and capital preservation in real terms.

Health, 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. We welcome the opportunity to make appropriate climate related financial disclosures as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD) in this year's Annual Report, which may be developed further in future reports. Detailed disclosures can be found in the Strategic Report on pages 31 to 33.

The Board and Governance

At the AGM, Willy Rickett will retire from the Board and I, on behalf of the whole Board, would like to thank him for the fine job he has done as the Company's Senior Independent Director since its listing in 2013. Given his experience, Willy has been a great source of wisdom and we have valued his contribution enormously. We were delighted that Nick Winser joined the board on 1 January 2022, bringing the experience he has in the regulated electricity sector.

The annual internal evaluation of the Board raised no significant issues.

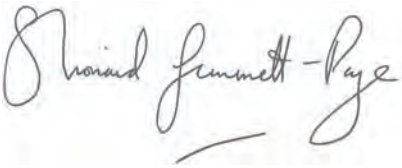
The Group's governance is further described in the Corporate Governance Report on pages 45 to 49.

Chairman's Statement continued

Annual General Meeting

Our AGM will take place at 2 pm on 28 April 2022 at the office of the Investment Manager. In 2021, following the advice of the government on social distancing, travel and measures to prohibit public gathering in order to minimise the spread of COVID-19, the Company decided to change the location of its AGM from the offices of the Investment Manager and hold it with the minimum necessary quorum of 2 shareholders present. A recording of the AGM was made and is available for shareholders on the Company's website (www.greencoat-ukwind.com). It is possible that such an arrangement might also be either necessary or sensible for the AGM at the end of April 2022. The Company realises that this is not ideal and will try to provide the opportunity for investors to meet with the Board and executive management, if possible, later in the year, if the AGM has to be carried out in this manner.

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

23 February 2022

Humber Gateway

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.

Stephen has 25 years of investment management and financing experience in addition to 6 years in the nuclear industry. Prior to joining the Investment Manager in March 2012, Stephen led the renewable energy infrastructure team at Climate Change Capital (CCC) from May 2010. Prior to CCC, he was a senior director of Infracapital Partners LP, M&G's European Infrastructure fund. During this time, Stephen led the acquisitions of stakes in Kelda Group (Yorkshire Water), Zephyr (wind farms) and Meter Fit (gas/electricity metering) and also sat on the boards of these companies after acquisition. Prior to this, he was a director at Financial Security Assurance, where he led over £2 billion of underwritings in the infrastructure and utility sectors. He also worked for the investment companies of the Serco and Kvaerner Groups.

Laurence also has 25 years of investment management and financing experience. Prior to joining the Investment Manager in March 2012, Laurence held a number of senior roles within CCC from 2006 to 2011. Initially he co-headed CCC's advisory team before transferring in 2007 to the carbon finance team. Laurence joined Stephen in the renewable energy infrastructure team in early 2011. From 2003-2006, Laurence headed the Bank of Tokyo-Mitsubishi's London-based renewables team, where he financed and advised on over 1GW of UK wind. Prior to the Bank of Tokyo-Mitsubishi, Laurence worked in the power project finance team at NatWest.

In December, Schroders plc announced that it had reached agreement to acquire a 75 per cent interest in the Investment Manager. The transaction is expected to complete in H1 2022 subject to regulatory approval. The Investment Manager will continue to operate as an independent business and will become 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 £700 billion.

Investment Manager's Report continued

Investment Portfolio

Operating portfolio as at 31 December 2021:

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	Centrica	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	BayWa	Centrica	69.5	100%	69.5
Cotton Farm	Senvion	BayWa	Sainsbury's	16.4	100%	16.4
Crighshane	Enercon	Energia	Energia	32.2	100%	32.2
Deeping St. Nicholas	Senvion	EDF	EDF	16.4	80%	13.1
Douglas West	Vestas	Natural Power	Erova	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	BayWa	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
Humber Gateway	Vestas	RWE	RWE	219.0	37.8%	82.8
Kildrummy	Enercon	BayWa	Sainsbury's	18.4	100%	18.4
Langhope Rig	GE	Natural Power	Centrica	16.0	100%	16.0
Lindhurst	Vestas	RWE	RWE	9.0	49%	4.4
Little Cheyne Court	Nordex	RWE	RWE	59.8	41%	24.5
Maerdy	Siemens	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 II	Enercon	SSE	SSE	18.8	100%	18.8
Stronelairg	Vestas	SSE	SSE	227.7	35.5%	80.9
Stroupster	Enercon	BayWa	BT	29.9	100%	29.9
Tappaghan	GE	SSE	SSE	28.5	100%	28.5
Tom nan Clach	Vestas	Natural Power	CFD	40.0	75%	30.0
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						**1,422.0**

Investment Manager's Report continued

Investment Portfolio continued

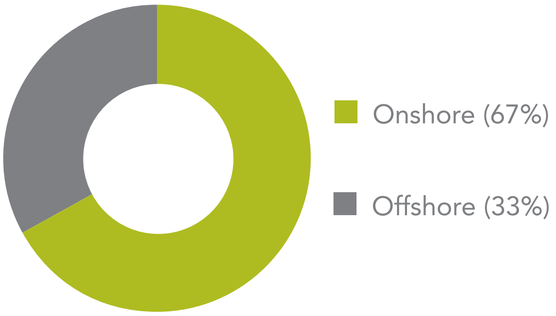
1 Andershaw
2 Bicker Fen
3 Bin Mountain
4 Bishopthorpe
5 Braes of Doune
6 Brockaghboy
7 Burbo Bank Extension
8 Carcant
9 Church Hill
10 Clyde
11 Corriegarth
12 Cotton Farm
13 Crighshane
14 Douglas West
15 Deeping St. Nicholas
16 Drone Hill
17 Dunmaglass
18 Earl's Hall Farm
19 Glass Moor
20 Glen Kyllachy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

Investment Manager's Report continued

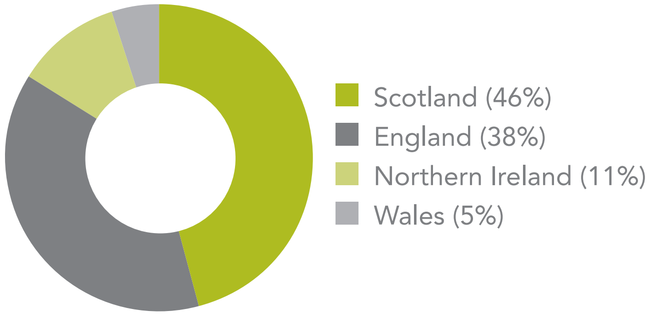
Investment Portfolio continued

Breakdown of operating portfolio by value as at 31 December 2021:

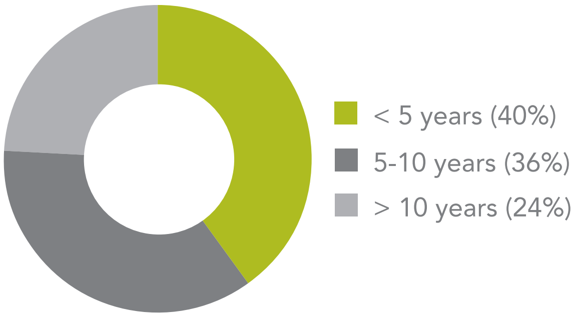
Onshore/Offshore



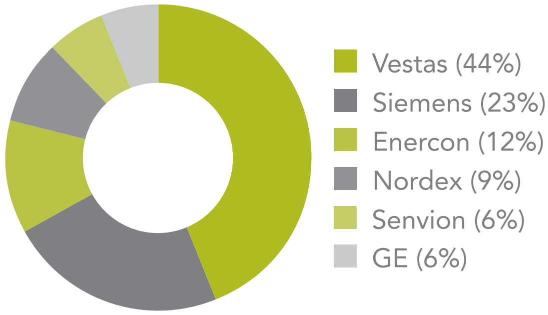
Geography



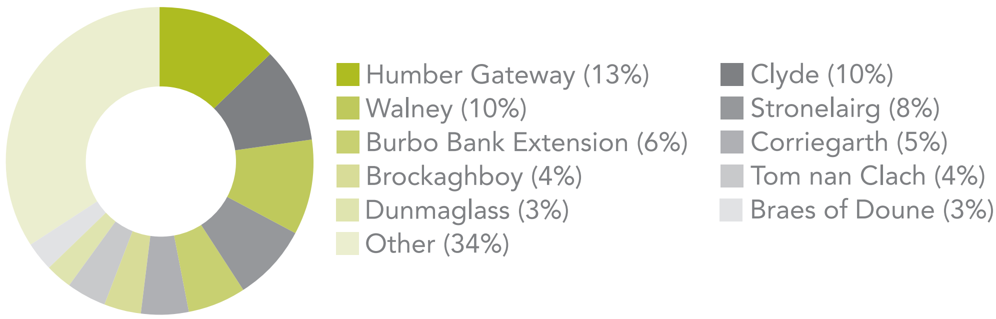
Asset Age



Turbine Manufacturer



Assets



Investment Manager's Report continued

Portfolio Performance

Portfolio generation for the year was 2,933GWh, 20 per cent below budget.

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%

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).

2021 saw very low wind speeds of 2 standard deviations below the mean. Similar conditions were last seen in 2010.

Burbo Bank Extension

Investment Manager's Report continued

Portfolio Performance continued

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

Wind Farm	Ownership Stake	Ownership Period	Annual Budget (GWh)	2021 Budget (GWh)	2021 Actual (GWh)	Variance
Andershaw	100%	Oct – Dec	105.5	31.6	26.3[2]	-17%
Bicker Fen	80%	Jan – Dec	44.3	44.3	39.3	-11%
Bin Mountain	100%	Jan – Dec	23.2	23.2	17.8	-23%
Bishopthorpe	100%	Jan – Dec	50.6	50.6	43.1	-15%
Braes of Doune	100%[1]	Jan – Dec	167.8	151.0	118.9[2]	-21%
Brockaghboy	100%	Jan – Dec	156.0	140.4[3]	109.0	-22%
Burbo Bank Extension	15.7%	Dec	155.0	15.5	14.4	-7%
Carcant	100%	Jan – Dec	17.1	17.1	14.5	-15%
Church Hill	100%	Jan – Dec	37.1	37.1	29.8	-20%
Clyde	28.2%	Jan – Dec	446.9	446.9	342.4[2]	-23%
Corriegarth	100%	Jan – Dec	216.2	216.2	150.3[2]	-30%
Cotton Farm	100%	Jan – Dec	51.0	51.0	43.1	-16%
Crighshane	100%	Jan – Dec	59.7	59.7	49.2	-18%
Deeping St. Nicholas	80%	Jan – Dec	29.6	29.6	26.6	-10%
Douglas West	100%	Oct – Dec	129.2	38.8	33.9	-12%
Drone Hill	51.6%	Jan – Dec	30.3	30.3	25.4	-16%
Dunmaglass	35.5%	Jan – Dec	129.9	129.9	92.0[2]	-29%
Earl's Hall Farm	100%	Jan – Dec	31.9	31.9	27.9	-12%
Glass Moor	80%	Jan – Dec	28.8	28.8	24.1	-16%
Glen Kyllachy	100%	n/a	145.7	—	—	—
Humber Gateway	37.8%	Jan – Dec	320.4	320.4	281.5	-12%
Kildrummy	100%	Jan – Dec	55.6	55.6	40.6	-27%
Langhope Rig	100%	Jan – Dec	46.7	46.7	39.1	-16%
Lindhurst	49%	Jan – Dec	11.5	11.5	9.6	-16%
Little Cheyne Court	41%	Jan – Dec	61.0	61.0	51.1	-16%
Maerdy	100%	Jan – Dec	63.1	63.1	50.1	-21%
Middlemoor	49%	Jan – Dec	68.3	68.3	51.9	-24%
North Hoyle	100%	Jan – Dec	185.8	172.0[4]	135.3	-21%
North Rhins	51.6%	Jan – Dec	37.8	37.8	33.4[2]	-12%
Red House	80%	Jan – Dec	21.8	21.8	19.8	-9%
Red Tile	80%	Jan – Dec	42.0	42.0	37.3	-11%
Rhyl Flats	24.95%	Jan – Dec	70.3	70.3	62.8	-11%
Screggagh	100%	Jan – Dec	44.3	44.3	35.6	-20%
Sixpenny Wood	51.6%	Jan – Dec	28.5	28.5	22.3	-22%
Slieve Divena	100%	Jan – Dec	54.9	54.9	42.4	-23%
Slieve Divena II	100%	Jan – Dec	48.7	48.7	41.9	-14%
Stronelairg	35.5%	Jan – Dec	302.6	302.6	226.7[2]	-25%
Stroupster	100%	Jan – Dec	94.9	94.9	75.1	-21%
Tappaghan	100%	Jan – Dec	68.0	68.0	53.2	-22%
Tom nan Clach	75%	Jan – Dec	121.8	121.8	103.1[2]	-15%
Walney	25.1%	Jan – Dec	355.6	355.6	274.8	-23%
Windy Rig	100%	n/a	138.5	—	—	—
Yelvertoft	51.6%	Jan – Dec	21.7	21.7	17.1	-21%
Total			**4,319.3**	**3,685.2**	**2,932.6**	**-20%**

[1] Ownership in Braes of Doune was 50 per cent until incremental acquisition of the remaining 50 per cent in February 2021.

[2] Includes curtailed generation.

[3] Brockaghboy 2021 budget reduced to reflect a scheduled grid outage.

[4] North Hoyle 2021 budget reduced to reflect a scheduled grid outage and planned downtime for insulator exchanges.

Investment Manager's Report continued

Portfolio Performance continued

Notable issues affecting portfolio availability were:

- a scheduled grid outage at Brockaghboy to connect a nearby substation meaning that the wind farm was offline for the whole of November;
- a scheduled grid outage at North Hoyle in April and May, planned downtime for insulator exchanges in March and an export cable fault in July;
- various unplanned outages at Corriegarth and Kildrummy, with extended periods of downtime due to adverse weather conditions and a shortage of operation and maintenance personnel;
- a shortage of operation and maintenance personnel at Dunmaglass, which delayed the resolution of certain turbine faults; and
- an inter-turbine array cable fault at Stronelairg in September and remedial blade works in September and October.

In general, we have reflected an increased allowance for grid outages when budgeting wind farm availability. Grid outages are typically uncompensated and result in a whole wind farm being offline. The increased occurrence in part relates to grid enhancement works to accommodate the further deployment of wind generation.

We have also reflected an increased allowance for curtailment in Northern Ireland. In contrast to curtailment under the Balancing Mechanism in Great Britain, curtailment in Northern Ireland is uncompensated. The higher rate of curtailment in part relates to the greater deployment of wind generation.

During the year, BayWa acquired part of the operational management business of DNV-GL, which included Operational Management Agreements at Braes of Doune, Carcant, Maerdy and North Rhins. BayWa now operates 13 sites in the Group's portfolio.

New PPAs have been entered into with: (i) Erova at Braes of Doune (from July 2022, power only), Douglas West (power only) and North Hoyle (power only); (ii) Total at Braes of Doune (from July 2022, ROCs only), Carcant (ROCs only), North Hoyle (ROCs only) and Walney; and (iii) Tesco at Glen Kyllachy.

Health and Safety

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 11 sites by an independent consultant. In addition, the Investment Manager undertook 38 safety walks. No material areas of concern were identified from all audits and safety walks performed in the year.

Investment Manager's Report continued

Acquisitions

During the year, the Investment Manager priced 20 wind farms totalling 1,286MW. Of the 20 wind farms priced, 3 investments were made by the Group (Braes of Doune, Andershaw and Burbo Bank Extension), 2 were acquired by other buyers, 8 are no longer being pursued by the Group, and 7 are subject to continuing discussions. In total, there were 9 relevant secondary market transactions in the UK wind sector in 2021.

The following table lists investments in the year to 31 December 2021:

	£m
Douglas West	25.3
Kype Muir Extension	10.6
Braes of Doune	48.1
Andershaw	121.2
Burbo Bank Extension	250.0
Windy Rig	55.1
Glen Kyllachy	59.5
Total	**569.8**

During the year, the Group funded incremental investment of £25.3 million in the 45MW Douglas West subsidy free wind farm project, which entered into full commercial operation in September 2021.

During the year, the Group also provided £10.6 million of construction finance to the Kype Muir Extension subsidy free wind farm project (target commissioning in Q4 2022).

On 23 February 2021, the Group acquired the remaining 50 per cent interest in Braes of Doune wind farm from Hermes for £48.1 million. The Group has been invested in this wind farm since listing and the wind farm receives 1 ROC per MWh.

On 27 September 2021, the Group acquired the 35MW Andershaw wind farm from Statkraft for £121.2 million. The wind farm receives 0.9 ROCs per MWh.

On 30 November 2021, the Group acquired a net 15.7 per cent stake in the 258MW Burbo Bank Extension offshore wind farm from AIP for £250 million. The wind farm benefits from a CFD priced at £176.57/MWh (real 2021).

On 14 December 2021, the Group acquired the 43.2MW Windy Rig subsidy free wind farm from Statkraft for £55.1 million and on 22 December 2021, the Group acquired the 48.5MW Glen Kyllachy subsidy free wind farm from RWE for £59.5 million.

The acquisition of the 37.8MW Twentyshilling subsidy free wind farm from Statkraft for £51.4 million is expected to complete in March 2022.

The agreements to acquire Windy Rig, Glen Kyllachy and Twentyshilling were all entered into in 2019.

Equity Issuance

On 19 February 2021, the Company issued 151 million new shares at a price of 131 pence per share, raising gross proceeds of £198 million. On 29 November, the Company issued a further 341 million new shares at a price of 132 pence per share, raising gross proceeds of £450 million.

Investment Manager's Report continued

Gearing

In November, the Company's revolving credit facility was increased to £600 million. Term debt maturing in 2022 was also refinanced with longer dated term debt. In December, the Company entered into a new £200 million term debt facility with AXA, which was utilised on 31 January 2022 to reduce borrowings under the revolving credit facility to £50 million (£250 million as at 31 December 2021).

The Group's gearing of £950 million as at 31 December 2021 equates to 23 per cent of GAV (limit 40 per cent). All borrowing is at Company level (no debt at wind farm level). More detail in relation to the Group's debt facilities can be found in note 13 to the financial statements.

Financial Performance

Power prices during the year were well above budget, primarily reflecting high gas prices. The average N2EX Day Ahead auction price was £117.43/MWh (2020: £35.23/MWh).

Net cash generated by the Group and wind farm SPVs was £256.8 million, providing cover of 1.9x dividends paid during the year, with low generation being more than offset by high power prices.

Cash balances (Group and wind farm SPVs) increased by £23.3 million to £117.1 million over the year.

Douglas West

Investment Manager's Report continued

Financial Performance continued

Group and wind farm SPV cash flows	**For the year ended 31 December 2021 £'000**
Net cash generation[1]	256,764
Dividends paid	(138,786)
Acquisitions[2]	(569,783)
Acquisition costs[3]	(6,263)
Equity issuance	647,618
Equity issuance costs	(9,715)
Net repayment under debt facilities	(150,000)
Upfront finance costs	(6,556)
Movement in cash (Group and wind farm SPVs)	**23,279**
Opening cash balance (Group and wind farm SPVs)	93,820
Closing cash balance (Group and wind farm SPVs)	**117,099**
Net cash generation	256,764
Dividends	138,786
Dividend cover	1.9x

(1) Alternative Performance Measure as defined on page 101.

(2) Includes £2,665k capital expenditure at Windy Rig and £1,160k working capital at Glen Kyllachy.

(3) Includes £4,403k in relation to Humber Gateway, acquired in 2020.

The following 2 tables provide further detail in relation to net cash generation of £256.8 million:

Net Cash Generation – Breakdown	**For the year ended 31 December 2021 £'000**
Revenue	457,933
Operating expenses	(150,892)
Tax	(30,445)
Other	23,489
Wind farm cash flow	**300,085**
Management fee	(20,820)
Operating expenses	(1,518)
Ongoing finance costs	(24,420)
Other	(641)
Group cash flow	**(47,399)**
VAT (Group and wind farm SPVs)	4,078
Net cash generation	**256,764**

Net Cash Generation – Reconciliation to Net Cash Flows from Operating Activities	**For the year ended 31 December 2021 £'000**
Net cash flows from operating activities[1]	242,261
Movement in cash balances of wind farm SPVs[2]	26,366
Capital expenditure at Windy Rig and working capital at Glen Kyllachy[2]	3,826
Repayment of shareholder loan investment[1]	8,731
Finance costs[1]	(30,976)
Upfront finance costs[3]	6,556
Net cash generation	**256,764**

(1) Consolidated Statement of Cash Flows.

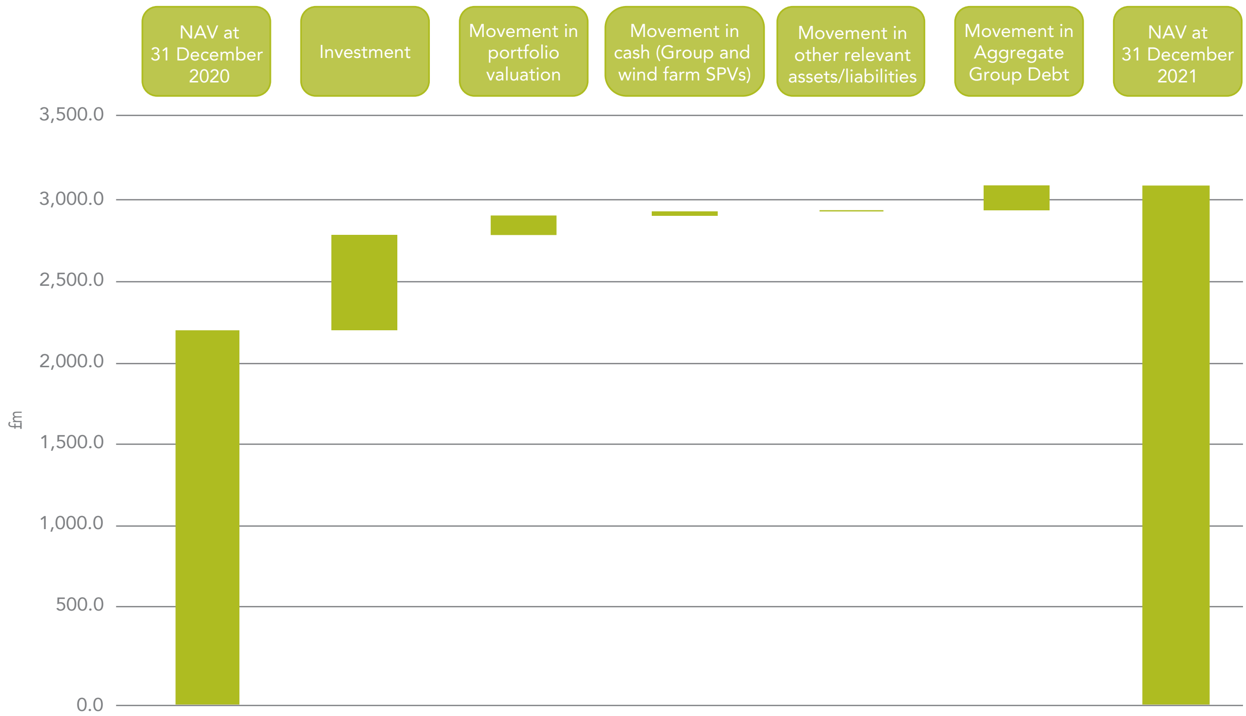
(2) Note 9 to the financial statements.

(3) £6,375k facility arrangement fees plus £138k professional fees (note 13 to the financial statements) plus £43k movement in finance costs payable (note 12 to the financial statements).

Investment Manager's Report continued

Investment Performance

	£'m
NAV at 31 December 2020	**2,229.9**
Investment	569.8
Movement in portfolio valuation	116.6
Movement in cash (Group and wind farm SPVs)	23.3
Movement in other relevant assets/liabilities	4.1
Movement in Aggregate Group Debt	150.0
NAV at 31 December 2021	**3,093.7**



Shares in issue	1,824,129,348	2,317,097,822
NAV/share (pence)	122.2	133.5

The increase in the portfolio valuation of £116.6 million equates to approximately 5 pence per share, which can be further broken down as follows: +14 pence from an increase in forecast power prices, +2 pence from an increase in inflation assumptions, -5 pence from an increase in the corporation tax rate (25 per cent modelled from 2023 onwards), and -6 pence attributable to depreciation and other assumption changes.

Total dividends of £138.8 million were paid in 2021. Total dividends of £148.0 million have been paid or declared with respect to 2021 (7.18 pence per share). The target dividend with respect to 2022 is 7.72 pence per share (increased in line with December 2021 RPI).

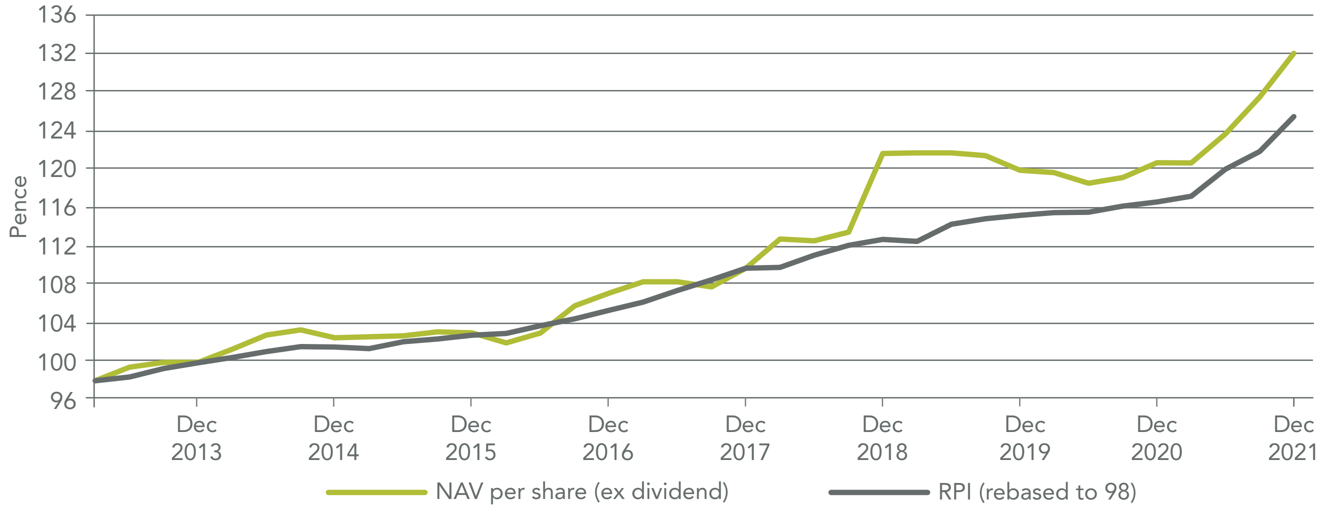
Investment Manager's Report continued

Investment Performance continued

	pence per share	per cent
NAV at 31 December 2020	122.2	
Less February 2021 dividend	(1.8)	
NAV at 31 December 2020 (ex dividend)	120.4	
NAV at 31 December 2021	133.5	
Less February 2022 dividend	(1.8)	
NAV at 31 December 2021 (ex dividend)	131.7	
Movement in NAV (ex dividend)	11.3	9.4
Dividends with respect to the year	7.2	6.0
Total return on NAV	**18.5**	**15.4**

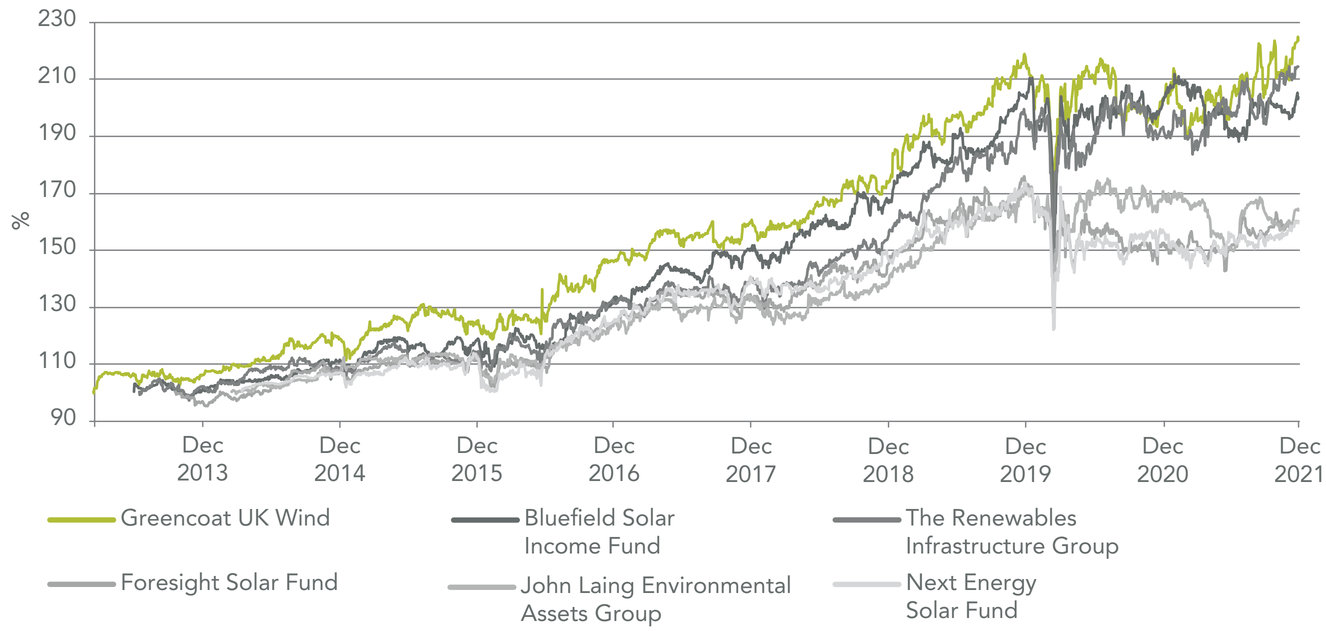
The chart below shows NAV per share versus RPI:

NAV vs RPI



The chart below shows TSR versus market peers:

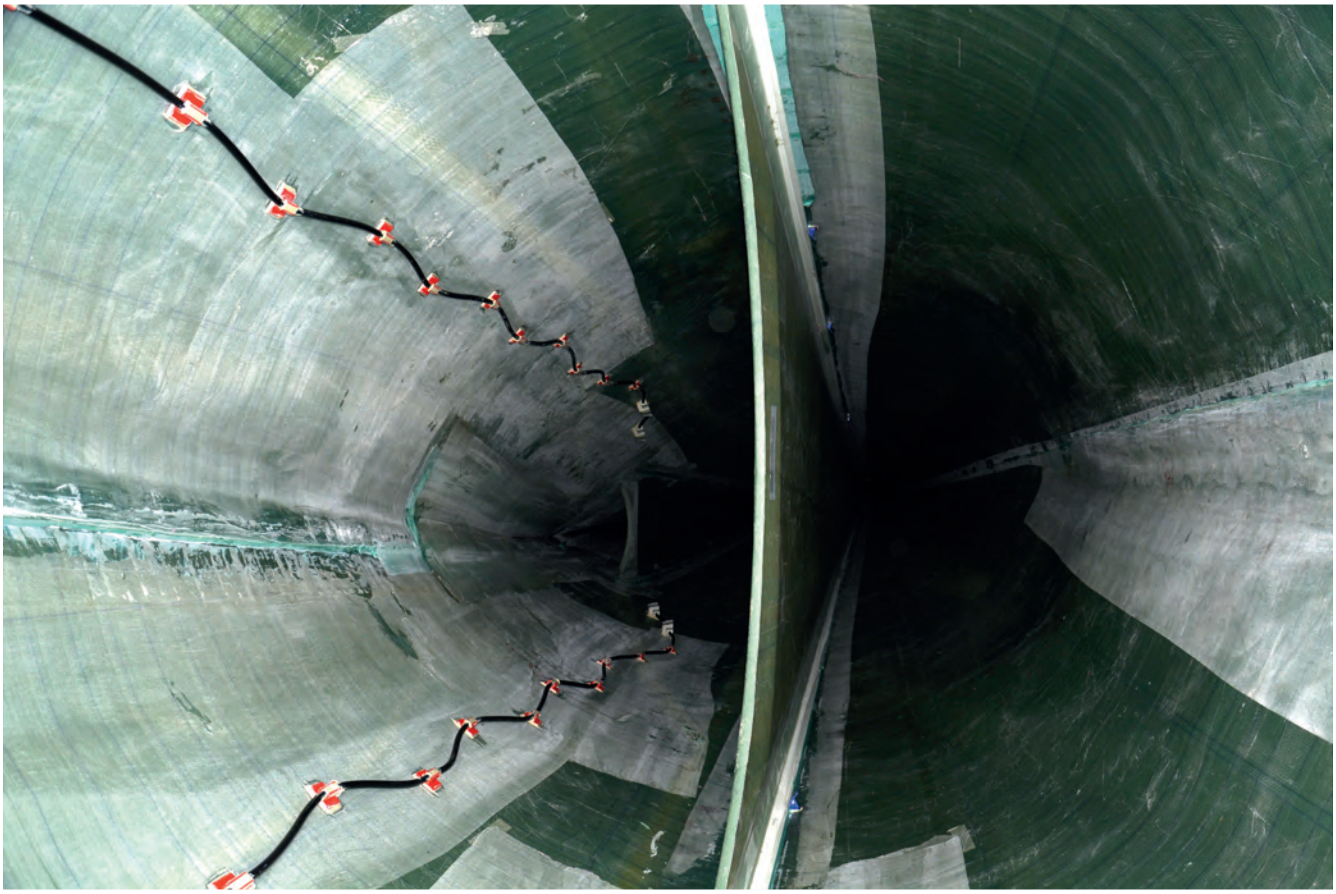
Total Shareholder Return vs Market Peers *(Bloomberg)*



Investment Manager's Report continued

Reconciliation of Statutory Net Assets to Reported NAV

	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Operating portfolio	3,919,545	3,216,563
Construction portfolio	10,702	27,273
Cash (wind farm SPVs)	112,298	85,932
Fair value of investments	**4,042,545**	**3,329,768**
Cash (Group)	4,801	7,888
Other relevant liabilities	(3,647)	(7,783)
GAV	**4,043,699**	**3,329,873**
Aggregate Group Debt	(950,000)	(1,100,000)
NAV	**3,093,699**	**2,229,873**
Reconciling items	—	—
Statutory net assets	**3,093,699**	**2,229,873**
Shares in issue	2,317,097,822	1,824,129,348
NAV per share (pence)	**133.5**	**122.2**



Lightning protection system, Douglas West blade

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 2021 was 7.2 per cent (31 December 2020: 6.9 per cent), reflecting a greater proportion of merchant cash flows.

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

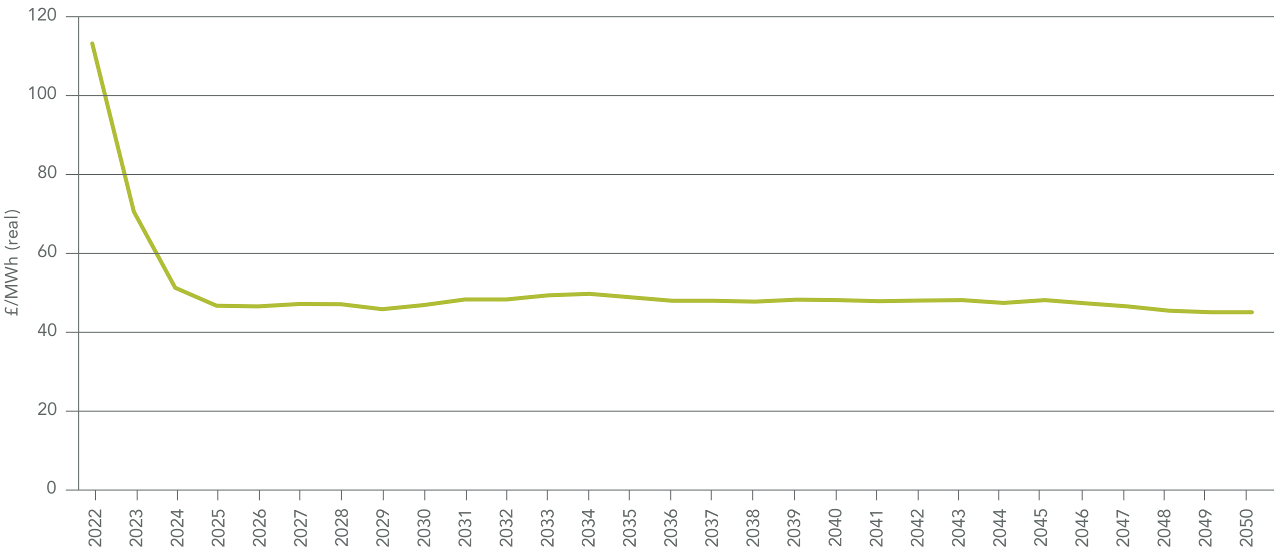
Base case long term inflation assumptions are 3.5 per cent to 2030 and 2.5 per cent thereafter for RPI and 2.5 per cent (all years) for CPI.

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 4 January 2022 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):



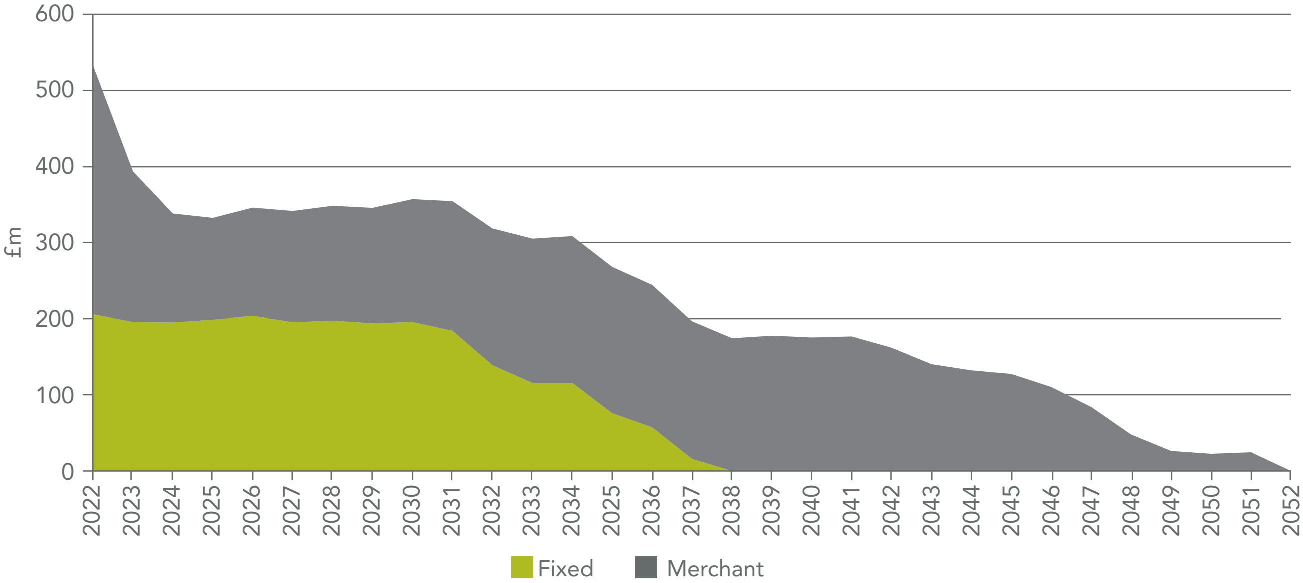
Investment Manager's Report continued

NAV Sensitivities continued

In 2022, fixed cash flows are forecast to contribute 39 per cent of total cash flows (61 per cent merchant). Over the life of the portfolio, fixed cash flows are forecast to contribute 54 per cent of the total DCF value (46 per cent merchant).

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

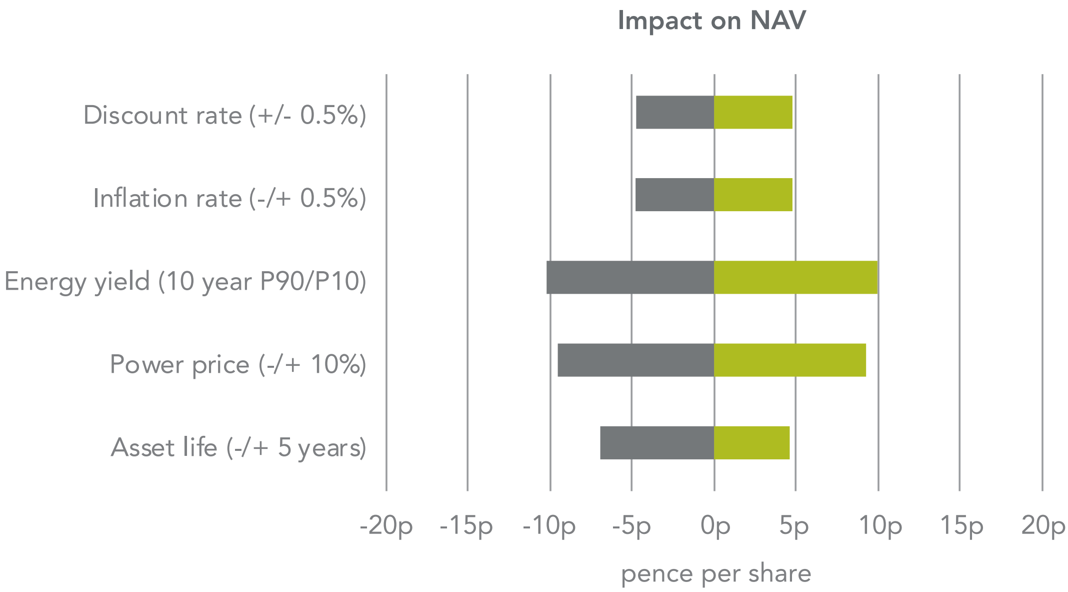
Portfolio cashflow split by revenue type



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 25GW of operating UK wind farms (14GW onshore plus 11GW offshore). In monetary terms, the secondary market for operating UK wind farms is over £80 billion. The Group currently has a market share of approximately 5 per cent. As at 31 December 2021, the average age of the portfolio was 7 years (versus 5 years at listing in March 2013).

In November 2021, the UK hosted the COP26 conference in Glasgow, with the Prime Minister playing a clear role in encouraging the delivery of 2050 net zero emissions targets. A key part of that plan for the UK is a 40GW offshore wind target for 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.

It is anticipated that the Group will continue to invest in ROC wind farms, with CFD wind farms and subsidy free wind farms continuing to provide further diversified pipeline opportunities. 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 driven by the recovery in global demand and certain supply chain constraints associated with the recovery from the COVID-19 pandemic. The average N2EX Day Ahead auction price was £117.43/MWh (2020: £35.23/MWh). Forward power prices over the period 2022-2025 remain high. High power prices drove strong cash generation in 2021 and the Group should continue to benefit from strong cash generation over the next few years through its balanced exposure to power prices.

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.

Tappaghan

Strategic Report

Introduction

The Directors present their Strategic Report for the year ended 31 December 2021. Details of the Directors who held office during the year and as at the date of this report are given on pages 34 to 36.

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 2021 dividend of 7.18 pence per annum is targeted to increase in line with December 2021 RPI to 7.72 pence for 2022. 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.

As the Group has no borrowings at wind farm level, and only limited borrowing at the Group level, the annual dividend is sufficiently protected against lower power prices. 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 has used debt facilities to make additional investments in the year. This has enhanced the Group's attractiveness to sellers since execution risk is greatly diminished, with the Group effectively being a cash buyer. The Group will continue to use short term debt facilities to make further investments.

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

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

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

Structure

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

Discount Control

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

Review of Business and Future Outlook

A detailed discussion of individual asset performance and a review of the business in the year together with future outlook are covered in the Investment Manager's Report on pages 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 0.98 per cent of the weighted average NAV for the year to 31 December 2021. This is made up as follows and has been calculated using the AIC recommended methodology.

	31 December 2021		31 December 2020	
	£'000	%	£'000	%
Total management fee	23,406	0.92%	18,400	0.96%
Directors' fees[1]	270	0.01%	258	0.01%
Other ongoing expenses[2]	1,359	0.05%	1,214	0.06%
Total	**25,035**	**0.98%**	**19,872**	**1.03%**
Weighted average NAV	**2,550,739**		1,925,549	

(1) Do not include £50k of additional discretionary Directors' fees for work incurred in connection with share placings.

(2) Other ongoing expenses do not include £1,115k of management and administration fees relating to the wind farm SPVs that is recharged to them and £58k of broken deal costs.

Strategic Report continued

Ongoing Charges continued

Assuming no further changes in NAV, the 2022 ongoing charges ratio is expected to be 0.96 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 34 to 36.

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. The Board does not consider the likelihood or impact of these risks to have changed in the year.

The Board maintains a risk matrix setting out the risks affecting both the Group and the investee companies. This risk matrix is reviewed and updated at least annually to ensure that procedures are in place to identify principal risks 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.

Financing Risk

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.

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.

Strategic Report continued

Investment Returns Become Unattractive

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

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.

Wind Resource

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

The Group does not have any control over the wind resource but has no debt at wind farm level and has designed its dividend policy such that it can withstand significant short term variability in production relating to wind. Before investment, the Group carries out extensive due diligence and relevant historical wind data is available over a substantial period of time.

The other component of wind energy generation, a wind farm's ability to turn wind into electricity, is mitigated by purchasing wind farms, where possible, with a proven operating track record.

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

Kildrummy

Strategic Report continued

Risks Affecting Investee Companies continued

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 67, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence to at least February 2023. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Longer Term Viability

As further disclosed on page 45, 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 22 to 24, 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 31, 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.

Strategic Report continued

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 7.18 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 2021. The Board are confident that with the Group's continuing strong cash flow and robust dividend cover, the Company can target a dividend of 7.72 pence per share for 2022, 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.

Acquisitions

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 issued 492 million further shares, raising a total of £648 million through oversubscribed equity raisings in February and November. The Investment Manager engaged with analysts and investors throughout the equity raising process.

Board Composition

Nick Winser was appointed as a non-executive Director of the Company with effect from 1 January 2022. Nick is also a member of the Company's Audit, Management Engagement and Nominations Committees.

As disclosed on page 46, the Board undertakes a formal and rigorous internal evaluation of its performance each financial year to determine effectiveness and performance in various areas, as well as the Directors' continued independence and tenure. The reviews concluded that the overall performance of the Board and Audit Committee was satisfactory and the Board was confident in its ability to continue to govern the Company well.

Strategic Report continued

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 1.4GW of installed capacity across 43 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 14.4TWh of clean energy, saving 5.7 million tonnes of CO_2.

During the year, the Group's wind farms generated 2,933GWh of renewable electricity. By the end of 2021, the portfolio was generating sufficient electricity to power over 1.5 million homes and avoiding CO_2 emissions of approximately 1.7 million tonnes 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 before investments are made and then 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 we manage;
- engage with and support the local community;
- 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 faces 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 Ten Point Plan 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;
- 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.

Brockaghboy

Strategic Report continued

CASE STUDY

Peatland protection

Peatland protection plays a vital role in the transition to net zero. Peatlands are important areas for biodiversity and are the largest natural terrestrial carbon sinks, storing twice as much carbon as all of the world's forests[1]. As a result, their protection is crucial to reducing emissions and conserving biodiversity. Many of the wind farms in our portfolio have protection initiatives and planning obligations in place designed to manage and restore peatland and blanket bog environments better.

In **Dunmaglass**, we restored blanket bog after our wind farm was constructed and monitored the recovery of the peatland, while preventing its erosion. Here, further peatland restoration works commenced in Q3 2021 to treat more than 20 hectares of eroding peatland around the site. Ditch blockings will prevent further breakdown of plant material, and carbon release, by restoring the natural flow of water and soil saturation.

In **Tappaghan**, some of the peat, cut to accommodate new infrastructure, had failed to revegetate. We trialled a method using transplants to revegetate bare peat by translocating small peat plugs from nearby vegetated surfaces. Tall heather was pruned back and other species were transplanted in the same condition that they were growing in.

In **Corriegarth**, blanket bog restoration was carried out in 2016, once on-site groundworks were completed. The target was to restore areas of degrading blanket bog to aid the long term conservation of the priority habitat while promoting the restoration of peat bog. Measures were put in place to prevent further erosion by means of gully blocking and stabilising bare peat faces by constructing dams. In largely vegetated areas, peaty soils were drying out as a result of artificial drainage channels. So, drains deeper than a metre were blocked to allow rewetting of the bog.

In **Screggagh**, the area around the wind farm is primarily blanket bog, with a peat depth varying from 0.5 to 5 metres. The HMP we have in place is designed to maintain and enhance the blanket bog and grassland habitats. We have focused on restoring areas of cut-over blanket bog and ensuring that drainage structures do not adversely affect blanket bog habitats. With a lack of standing water anywhere on site, a system of pools and dams was put in place to provide an array of permanent and ephemeral water bodies throughout the site. Trackside vegetation is now largely well established and is in generally good condition where the tracks cut through peatland habitats.

Blanket bog has been restored at Corriegarth

Rewetting of blanket bog at Corriegarth

[1] United Nations Environment Programme. https://www.unep.org/news-and-stories/story/peatlands-store-twice-much-carbon-all-worlds-forests

Strategic Report continued

Environmental, Social and Governance continued

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

The Group cares that the workers on its sites are safe. The arrival of COVID-19 in 2020 only reinforced the importance of employee health and wellbeing.

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:

- seeking to comply 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 38 wind farms; independent health and safety audits by an accredited professional at 11 wind farms, and electrical safety inspections at 18 sites; and
- reporting on key health and safety data regularly, with escalation and rapid response procedures in place in case of emergency.

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 provide 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 and aiding educational projects for local schools to providing COVID-19 emergency and response.

Supporting the communities during the pandemic

As the COVID-19 virus spread in early 2020, and local and national lockdowns came into force, the Group quickly implemented actions to support communities in dealing with emergencies.

Actions taken included:

- Offering 10 per cent of the annual community benefit funds for certain wind farms to help with community COVID-19 response activity;
- Early release of funding to safeguard key community projects; and
- Extension of funding to key social projects to ensure support for the most vulnerable.

Strategic Report continued

Environmental, Social and Governance continued

Diversity

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

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

The Investment Manager operates an equal opportunities policy and its partners and employees comprise 57 men and 23 women.

Governance

Detailed disclosure on the Company's governance structure and activities can be found in the Corporate Governance Report on pages 45 to 49.

CASE STUDY

Clyde Wind Farm & Wiston Lodge

Clyde wind farm is a 522MW wind farm near Abington in South Lanarkshire. It makes £625,000 available for community and charitable projects within the Clyde wind farm area every year.

This year, two grants totalling £62,190 were made to Wiston Lodge, a charity and social enterprise with a focus in delivering nature-based tailored learning programmes to children and young people, vulnerable adults and to the staff of the organisations that support them. The Lodge is committed to welcoming a wide diversity of groups from all backgrounds into their community and to conserving and sustaining the environment in all of their activities. A series of core programmes are run to support the achievement of their mission, including:

- Adventure Activities
- Nature Connections (bushcraft, conservation, gardening)
- Music and Art
- Renewable Energy Education

Wiston works with their surrounding community to build a brighter future for their local area. Programmes are designed to demonstrate that working outdoors has the power to transform people's lives and foster an appreciation of the great outdoors and a recognition of our effect on the natural world.

Through the community fund managed by the South Lanarkshire Council, £9,961 was provided to support service delivery during the pandemic. Under the SSE-managed Sustainable Development Fund, a separate grant of £52,229 was provided to develop a visitor changing and washroom facility. These funds helped to continue the valuable work of the Wiston Lodge.

The visitor changing and washroom facility at Wiston Lodge

Wiston Lodge

Strategic Report continued

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 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.

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 operate in extreme weather conditions. 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.

High Transition Risk Scenario

The Board and the Investment Manager 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.

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. 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 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 8 pence reduction in NAV per share.

Strategic Report continued

Task Force on Climate-Related Financial Disclosures (TCFD) continued

Strategy continued

High Transition Risk Scenario continued

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

The Board and the Investment Manager 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 patterns 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.

Metrics and Targets

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

The Government published its net zero strategy in October 2021, just before the UK hosted the COP26 conference in Glasgow. That strategy sets out a high level plan to reach net zero carbon emissions by 2050, which will require significant investment. The plan includes targets for:

- 40GW of offshore wind capacity by 2030;
- 5GW of hydrogen production capacity by 2030;
- additional nuclear capacity;
- 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 carbon dioxide 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 2021, the portfolio's contribution to CO_2 emissions is reductions is approximately 1.7 million tonnes per annum. The portfolio is also generating sufficient electricity to power 1.5 million homes per annum, at 2.9MWh per home.

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 2021
Scope 1 – direct emissions (tonnes CO_2)	35
Scope 2 – indirect emissions (tonnes CO_2)	74
Scope 3 – indirect emissions (tonnes CO_2)[1]	87,908
Total Scope 1, 2 and 3 emissions (tonnes CO_2)	**88,017**

(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 2021, 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.

On behalf of the Board

Shonaid Jemmett-Page
Chairman

23 February 2022

Clyde

Board of Directors

As at the date of this report, the Board comprises 6 individuals from relevant and complementary backgrounds, including Nick Winser who the Board appointed as a non-executive Director of the Company with effect from 1 January 2022. Nick has also been appointed as a member of the Company's Audit, Management Engagement and Nominations Committees.

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 61, 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, a non-executive Director of Caledonia Investments plc and Chairman of its remuneration committee and a member of its governance, nomination and audit committees, Senior Independent Director and Chairman of its audit and remuneration committees and a member of the nomination and risk committees at ClearBank Ltd, 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. On 20 December 2021 she was appointed as a non-executive Director of Aviva plc. Until January 2016 she was a non-executive Director of APR Energy Limited where she served as Chairman of its audit committee and a member of its remuneration committee. Until October 2017 she was non-executive Chairman of Origo Partners plc. 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, and 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). 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 45, 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

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

William Rickett C.B. (Senior Independent Director), William Rickett C.B., aged 69, 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 five 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.

Martin McAdam (appointed 1 March 2015)

Martin McAdam, aged 60, is an accomplished executive with significant experience in the energy and renewables sector. He was formerly Chief Executive Officer of Aquamarine Power. Prior to that, Martin was President and Chief Executive Officer of the US subsidiary of Airtricity, a role in which he constructed over 400MW of wind farm capacity.

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

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

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

Lucinda Riches C.B.E. (Director), aged 60, brings significant capital markets experience, having advised public companies on strategy, fundraising and investor relations for many years. She also brings extensive experience as a public company non-executive director across a variety of businesses, including two FTSE 100 companies.

Lucinda worked at UBS and its predecessor firms for 21 years until 2007 where she was a managing director, global head of Equity Capital Markets and a member of the board of the investment bank. She is Senior Independent Director and Deputy Chair 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.

Board of Directors continued

Nick Winser (appointed 1 January 2022)

Nick Winser C.B.E, aged 61, 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 Chair. 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. He is also a member of a COP26 Advisory Group and the Net Zero Expert Group which advises the Secretary of State.

Nick is a member of the IET, 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 Chair of the MS Society and a former member of the Board of the Kier Group.

Other UK Listed Public Company Directorships

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

Shonaid Jemmett-Page

Caledonia Investments plc
QinetiQ Group plc
Cordiant Digital Infrastructure Limited
Aviva plc

William Rickett C.B.

Harmony Energy Income Trust plc

Lucinda Riches C.B.E.

Ashtead Group plc
Peel Hunt Limited

With the exception of William Rickett, the Directors have all offered themselves for re-election and resolutions concerning this will be proposed at the 2022 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 2021. The Corporate Governance Report on pages 45 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 34 to 36.

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 2022 AGM. Special resolution 13 will be proposed at the forthcoming AGM seeking renewal of such authority until the next AGM (or 30 June 2023, 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 13.

The Directors also recommend shareholders to vote in favour of resolutions 11 and 12, 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 11 February 2022 are detailed below.

Shareholder	Ordinary shares held % 11 February 2022
Newton Investment Management	7.46
BlackRock Investment Management	5.98
Rathbone Investment Management	5.62
Investec Wealth & Investment	5.09
Baillie Gifford	4.77
FIL Investment International	4.75
M&G Investments	3.14
Legal & General Investment Management	3.09

Significant shareholdings as at 31 December 2021 are detailed below.

Shareholder	Ordinary shares held % 31 December 2021
Newton Investment Management	7.54
Rathbone Investment Management	5.63
Investec Wealth & Investment	5.20
Baillie Gifford	5.17
FIL Investment International	4.79
BlackRock Investment Management	4.75
Legal & General Investment Management	3.20
M&G Investments	3.11

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;

Report of the Directors continued

Companies Act 2006 Disclosures continued

- there exist no agreements to which the Company is party that may affect its control following a takeover bid;
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid; and
- the Directors' responsibilities pursuant to Section 172 of the Companies Act 2006, as detailed in the Strategic Report.

Investment Trust Status

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

Diversity and Business Review

A business review is detailed in the Investment Manager's Report on pages 5 to 20 and the Group's policy on diversity is detailed in the Strategic Report on page 30.

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 carbon dioxide emissions on a net basis (at a rate of approximately 0.4t CO_2 per MWh and approximately 1.7 million tonnes per annum based given the size of the Group's investment portfolio on 31 December 2021).

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 33.

Risks and Risk Management

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

Independent Auditor

The Directors will propose the reappointment of BDO LLP as the Company's Auditor and resolutions concerning this and the remuneration of the Company's Auditor will be proposed at the 2022 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 2021 are received and adopted by the shareholders and a resolution concerning this will be proposed at the 2022 AGM.

Dividend

The Board recommended an interim dividend of £41.6 million, equivalent to 1.795 pence per share with respect to the 3 month period ended 31 December 2021, bringing total dividends with respect to the year to £148.0 million, equivalent to 7.18 pence per share as disclosed in note 8 to the financial statements.

Report of the Directors continued

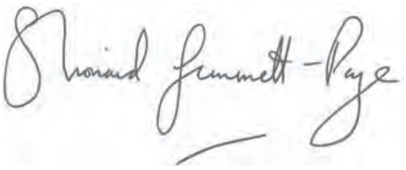
Subsequent Events

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 33.

On behalf of the Board



Shonaid Jemmett-Page
Chairman

23 February 2022

Walney

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 2022 AGM. At the AGM on 28 April 2021, shareholders voted 99.54 per cent in favour to approve the Directors' Remuneration Report for the year ended 31 December 2020.

The Company's Auditor is required to give their opinion on the information provided on Directors' remuneration on pages 40 to 43 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 34 to 36, consists solely of non-executive Directors and is considered to be entirely independent. The Board considers at least annually the level of the Board's fees, in accordance with the AIC Code. During the year, the basic fee for non-executive Directors increased by £5,000 per annum to £45,000 following an internal evaluation. The Board confirmed that this increase was appropriate through discussions with an external consultant and it was agreed the Directors would remain eligible for a discretionary payment of up to £10,000, where significant additional work is incurred by Directors in the raising of further equity, as disclosed in the Annual Report on Remuneration below.

Remuneration Policy

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

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 and no changes are expected for 2022.

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

	Date of current appointment letter	Date of expiry of current appointment letter
Shonaid Jemmett-Page	May 2020	May 2023
William Rickett C.B.	February 2019	February 2022
Martin McAdam	February 2021	February 2024
Lucinda Riches C.B.E.	March 2019	March 2022
Caoimhe Giblin	August 2019	August 2022
Nick Winser	January 2022	January 2025

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

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

Directors' Remuneration Report continued

Annual Report on Remuneration

During the year, the basic fee for non-executive Directors increased by £5,000 per annum to £45,000, with effect from 1 January 2021, with the Senior Independent Director and the Audit Committee Chair receiving an additional £5,000 and £10,000 per annum respectively. The Chairman's basic fee was also increased by £5,000 to £75,000 per annum.

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

The level of fees for Directors were benchmarked in 2019 by independent consultants, Heidrick & Struggles, 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 £4.0 billion through acquisitions and equity raisings and, in the last 3 years, the Board and its committees have held 80 meetings.

The Board takes the view that making discretionary payments to Directors for the extra work involved when equity raisings are required is better for shareholders than a permanent increase in the level of Directors' base fees.

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 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.

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 2020	Fixed remuneration	Discretionary remuneration(4)	Total remuneration
Shonaid Jemmett-Page (Chairman)(1)	£63,333	£10,000	£73,333
Caoimhe Giblin (Audit Committee Chairman)(2)	£46,667	£10,000	£56,667
William Rickett C.B. (Senior Independent Director)	£45,000	£10,000	£55,000
Martin McAdam	£40,000	£10,000	£50,000
Lucinda Riches C.B.E.	£40,000	£10,000	£50,000
Tim Ingram(3)	£23,333	—	£23,333
Total	**£258,333**	**£50,000**	**£308,333**

1) Appointed as Chairman of the Board with effect from 30 April 2020. The basic remuneration for the role of Chairman remained unchanged at £70,000 per annum.

(2) Appointed as Audit Committee Chairman with effect from 30 April 2020.

(3) Retired with effect from 30 April 2020.

(4) The Directors received an additional discretionary payment from the Company in relation to work incurred in connection with the October 2020 share placing.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Paid in the year to 31 December 2021	2021 % change from prior year[(1)]	2020 % change from prior year[(1)]
Shonaid Jemmett-Page (Chairman)	16%	22%
Caoimhe Giblin (Audit Committee Chairman)[(2)]	15%	325%
William Rickett C.B. (Senior Independent Director)	9%	0%
Martin McAdam	10%	0%
Lucinda Riches C.B.E.[(3)]	10%	58%
Tim Ingram[(4)]	n/a	-71%
Dan Badger[(5)]	n/a	-100%

(1) Movement in Individual Director's salary based on annualised total figures.

(2) Appointed with effect from 1September 2019

(3) Appointed with effect from 1 May 2019

(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 2021 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 2021	Ordinary shares of 1p each held at 31 December 2020
Shonaid Jemmett-Page[(1)]	131,602	116,450
William Rickett C.B.[(2)]	37,500	37,500
Martin McAdam	103,689	98,689
Lucinda Riches C.B.E.	120,000	70,000
Caoimhe Giblin	40,000	20,000

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

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

Relative Importance of Spend on Pay

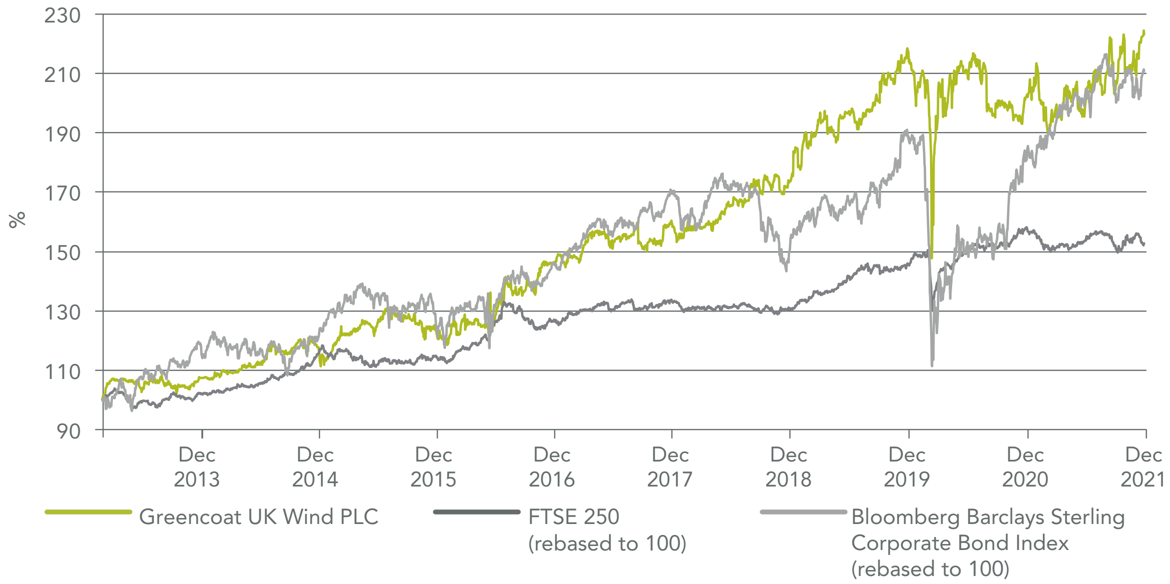
The remuneration of the Directors with respect to the year totalled £320,000 (2020: £308,333) in comparison to dividends paid or declared to shareholders with respect to the year of £147,998,434 (2020: £118,662,399).

Company Performance

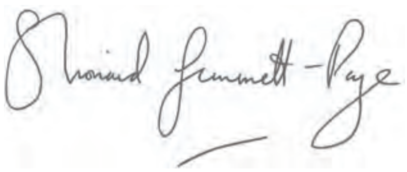
Due to the positioning of the Company in the market as a sector-focused infrastructure fund investing in UK wind farms to produce stable and inflating dividends for investors while aiming to preserve capital value, the Directors consider that a listed infrastructure fund has characteristics of both an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

Directors' Remuneration Report continued

Total Shareholder Return vs Equity and Bond Indices



On behalf of the Board



Shonaid Jemmett-Page
Chairman

23 February 2022

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

Shonaid Jemmett-Page
Chairman

23 February 2022

Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 37 to 39. 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 6 non-executive Directors and represents a range of investment, financial and business skills and experience.

The Chairman of the Board is Shonaid Jemmett-Page. 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 Ms Jemmett-Page is an independent director. The Senior Independent Director is William Rickett C.B.. It is expected that Lucinda Riches will be appointed as Senior Independent Director following William's retirement at the forthcoming AGM. 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 William Rickett C.B., 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.

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. In such circumstances, the independence of the other directors will ensure that the Board as a whole remains independent.

Mr Rickett joined the Company in December 2012, bringing him beyond the nine year director tenure limit, and as such will not seek re-election at the 2022 Annual General Meeting.

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

Corporate Governance Report continued

Chair Tenure Policy

The Company's policy on Chair tenure is available on the Company website. Ms Jemmett-Page joined the Company in December 2012, bringing her beyond the nine year director tenure limit, but was appointed as Chairman of the Board in April 2020. The Company's policy on Chair tenure is that the Chair should normally serve no longer than nine years as a Director and Chair but, where it is in the best interests of the Company, its shareholders and stakeholders, the Chair 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. The Company believes that this limited flexibility regarding Chair tenure will enable it to manage succession planning more effectively.

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. This was last conducted in 2019.

An internal evaluation of the Board, the Audit Committee and individual Directors was conducted during 2021 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 was facilitated by the Company Secretary. The reviews concluded that the overall performance of the Board and Audit Committee was satisfactory and the Board was confident in its ability to continue to govern the Company well.

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.

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.

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

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

The Company's Nominations Committee comprises all of the Directors and is required to meet at least once per year. The Chairman of the Nominations Committee is 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.

Corporate Governance Report continued

Committees of the Board continued

The Nominations Committee met twice during the year to consider Board succession planning, as well as the Director recruitment process in which a shortlist of candidates had been identified for consideration by the recruitment consultant, Nurole Limited. Following a discussion with Nurole Limited and the Investment Manager, the Nominations Committee recommended the appointment of Mr Nick Winser as a non-executive Director of the Company.

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

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 2021 by each Director is set out below:

	Scheduled Board Meetings (Total of 5)	Additional Board Meetings (Total of 13)
Shonaid Jemmett-Page	5	13
William Rickett C.B.	5	13
Martin McAdam	5	13
Lucinda Riches C.B.E.	5	13
Caoimhe Giblin	5	13

The number of meetings of the committees of the Board attended in the year to 31 December 2021 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 2)
Shonaid Jemmett-Page	n/a	1	2
William Rickett C.B.	4	1	2
Martin McAdam	4	1	2
Lucinda Riches C.B.E.	4	1	2
Caoimhe Giblin	4	1	2

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.

Corporate Governance Report continued

Internal Control continued

The Company's principal risks and uncertainties are detailed on pages 22 to 24 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.

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 focussed 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 should provide a forum for shareholders to meet and discuss issues with the Directors and Investment Manager.

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

Relations with Other Stakeholders

The Company values its relationships with its debt providers. The Investment Manager ensures the Company continues to meet its debt covenants and reporting requirements. During the year, the Company increased its revolving credit facility with RBS International, RBC, Santander and Barclays by £200 million to £600 million, as disclosed in note 13 to the financial statements.

Corporate Governance Report continued

Engagement with Stakeholders continued

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.

In October, the Investment Manager hosted a virtual Capital Markets Event for investors and analysts on active asset management and driving shareholder value through generation optimisation. The webinar and subsequent Q&A provided investors with the opportunity to gain a better understanding of the technical aspects of the Group's wind farm portfolio and the optimisation opportunities being explored and implemented by the Investment Manager.

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.

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 21.

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

23 February 2022

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Audit Committee Report

At the date of this report, the Audit Committee comprised Caoimhe Giblin (Chairman), William Rickett C.B., Martin McAdam, Lucinda Riches C.B.E. and Nick Winser. 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 34 to 36 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 during the year, the Audit Committee has had regular contact and meetings with the Investment Manager, the Administrator and the Auditor. These meetings and discussions focused on, but were not limited to:

- a detailed analysis of the Company's quarterly NAVs;
- reviewing the updated risk matrix of the Company, including climate related reporting disclosures under the TCFD framework;
- 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.

During the year, the Company received correspondence from the FRC seeking a better understanding of certain sections of the 2020 Annual Report, specifically with respect to the portfolio's renewable energy subsidies and variable consideration on forward committed acquisitions. The FRC also provided minor disclosure recommendations to be taken into account for future reports. The Audit Committee, with assistance from the Investment Manager and the Administrator, collaboratively engaged with the FRC and their enquiries reached a satisfactory conclusion.

The FRC's review was based on reading the 2020 Annual Report alone with no prior knowledge of the Group and its investments. It did not constitute an independent assurance engagement or verify any information provided in the 2020 Annual Report.

BDO LLP attended 3 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.

Audit Committee Report continued

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.

The Audit Committee considers risk and strategy regularly, and formally reviewed the updated risk matrix in Q1 2022 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 2021 to determine that these were unchanged from those disclosed in the Company's 2020 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.

Audit Committee Report continued

External Auditor continued

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.

During the year, the Audit Committee were notified by BDO LLP of a breach of auditor independence detailed in their Independent Audit report on page 54.

Notwithstanding the identified this independence breach, 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.

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 the prior year 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. The Audit Committee intends to commence an external audit appointment tender in the coming year for the year ended 31 December 2023. The Audit Committee has considered the re-appointment of the Auditor and decided not to put the provision of the external audit out to tender for the year ending 31 December 2022. 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 2022 AGM of the Company.

Caoimhe Giblin
Chairman of the Audit Committee

23 February 2022

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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 affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- The Group's financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards ;
- The Parent Company's financial statements have been properly prepared in accordance with United Kingdom 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 2021 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 the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom 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 re-appointed by the members on 28 April 2021 to audit the financial statements for the year ending 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 9 years, covering the years ended 31 December 2013 to 31 December 2021.

During the year it was identified that BDO provided a registered office service to 5 unconsolidated subsidiaries of Greencoat UK Wind plc. The provision of a registered office is not a permitted service which can be provided to Public Interest Entities under paragraph 5.40 of the FRC Ethical Standard. The fees charged for each subsidiary was £250 per entity per annum which is insignificant to the audit fee for Greencoat UK Wind plc. These services were transferred to a new provider from 14th January 2022. We have assessed the threats to independence arising from the provision of registered office services and, in our opinion, we do not consider that our independence has been compromised as a result of the breach of the FRC Ethical Standard. The audit committee have concurred with this view.

Other than the matter noted above, the non-audit services prohibited by the FRC Ethical Standard were not provided to the Group.

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:

- Agreeing the key inputs and assumptions relating to 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;

Independent Auditor's Report continued

Conclusions relating to going concern continued

- 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;
- We have reviewed the loan agreements and checked that maturity life of each one of them is reasonable 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.

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 or 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% (2020: 100%) of Group profit before tax* *100% (2020: 100%) of Group revenue* *100% (2020: 100%) of Group total assets*		
Key audit matters		**2021**	**2020**
	Valuation of investments	Yes	Yes
Materiality	*Group's financial statements as a whole* £46.4m (2020: £33.4m) based on 1.5% (2020: 1.5%) of net assets. *Specific Materiality* Materiality for items impacting on the realised return was £10.4m (2020: £9.6m) based on 5% (2020: 10%) of profit before tax, excluding the unrealised valuation movements.		

* % coverage of Group components subject to a full scope audit by BDO LLP

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.

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, note 9 and accounting policy on pages 70 and 77)	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 company. These estimates include judgements including future power prices, wind generation, discount rates, asset lives and inflation.	In respect of the equity investments valued using discounted cash flow models, we performed the following specific procedures: • Used spreadsheet analysis tools to assess the integrity of the valuation models and track changes to inputs or structure 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. • For existing investments, we analysed changes in significant assumptions compared with assumptions audited in previous periods and vouched these to independent evidence including available industry data. • Challenged the appropriateness of the selection and application of key assumptions in the model including the discount rate, inflation, asset life, energy yield and power price applied by benchmarking to available industry data and consulting with our internal valuations specialists. • Reviewed the corporation tax workings within the valuation model and considered whether these had been modelled accurately in the context of current corporation tax legislation and rates. • Agreed cash and other net assets to bank statements and investee company management accounts. • Considered the accuracy of forecasting by comparing previous forecasts to actual results. For loan investments we performed the following: • Vouched to loan agreements and verified the terms of the loan • Considered the carrying value of the loan with regard to the "unit of account" concept. For each of the key assumptions in the valuation models, we considered the appropriateness of the assumption and whether alternative reasonable assumptions could have been applied. We considered each assumption in isolation as well as in conjunction with other assumptions and the valuation as a whole. Where appropriate, we sensitised the valuations where other reasonable alternative assumptions could have been applied. We also considered the completeness and clarity of disclosures regarding the range of reasonable alternative assumptions in the financial statements. **Key observations** Based on our procedures performed we found the valuation 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	
	2021 £m	2020 £m	2021 £m	2020 £m
Materiality	46.4	33.4	44.1	31.2
Basis for determining materiality	1.5% net assets	1.5% net assets	95% Group materiality	95% 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 both components to 95%	
Performance materiality	34.8	25.0	33.1	23.4
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 items 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% (2020:10%) of profit before tax, excluding unrealised valuation movements. We further applied a performance materiality level of 75% (2020:75%) 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% Group materiality based 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 £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 £928k (2020: £660k). 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 Statement 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 page 24; and • The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate set out on page 24.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 38 • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 22; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 52; and • The section describing the work of the audit committee set out on pages 50 to 53.

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 Report of the Directors	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified 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's financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, 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.

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:

Independent Auditor's Report continued

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

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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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

23 February 2022

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 2021

	Note	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Return on investments	4	421,683	154,304
Other income		1,788	1,086
Total income and gains		**423,471**	**155,390**
Operating expenses	5	(26,258)	(20,990)
Investment acquisition costs		(3,305)	(8,025)
Operating profit		**393,908**	**126,375**
Finance expense	13	(30,689)	(21,368)
Profit for the year before tax		**363,219**	**105,007**
Tax	6	—	(612)
Profit for the year after tax		**363,219**	**104,395**
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**363,219**	**104,395**
Earnings per share			
Basic and diluted earnings from continuing operations in the year (pence)	7	**18.30**	**6.55**

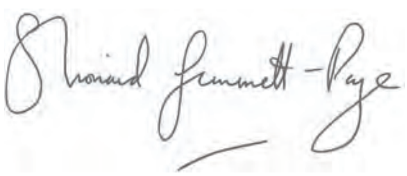
The accompanying notes on pages 67 to 95 form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Non current assets			
Investments at fair value through profit or loss	9	4,042,545	3,329,768
		4,042,545	**3,329,768**
Current assets			
Receivables	11	2,632	634
Cash and cash equivalents		4,801	7,888
		7,433	**8,522**
Current liabilities			
Payables	12	(6,279)	(8,417)
Net current assets		**1,154**	**105**
Non current liabilities			
Loans and borrowings	13	(950,000)	(1,100,000)
Net assets		**3,093,699**	**2,229,873**
Capital and reserves			
Called up share capital	15	23,171	18,241
Share premium account	15	2,468,940	1,834,477
Retained earnings		601,588	377,155
Total shareholders' funds		**3,093,699**	**2,229,873**
Net assets per share (pence)	16	**133.5**	**122.2**

Authorised for issue by the Board of Greencoat UK Wind PLC (registered number 08318092) on 23 February 2022 and signed on its behalf by:



Shonaid Jemmett-Page
Chairman

Caoimhe Giblin
Director

The accompanying notes on pages 67 to 95 form an integral part of the financial statements.

Statement of Financial Position – Company

As at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Non current assets			
Investments at fair value through profit or loss	9	4,046,365	3,332,430
		4,046,365	**3,332,430**
Current assets			
Receivables	11	107	143
Cash and cash equivalents		1,875	1,212
		1,982	**1,355**
Current liabilities			
Payables	12	(4,648)	(3,912)
Net current liabilities		**(2,666)**	**(2,557)**
Non current liabilities			
Loans and borrowings	13	(950,000)	(1,100,000)
Net assets		**3,093,699**	**2,229,873**
Capital and reserves			
Called up share capital	15	23,171	18,241
Share premium account	15	2,468,940	1,834,477
Retained earnings		601,588	377,155
Total shareholders' funds		**3,093,699**	**2,229,873**
Net assets per share (pence)	16	**133.5**	**122.2**

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 £363,219,000 (2020: £104,395,000).

Authorised for issue by the Board on 23 February 2022 and signed on its behalf by:

Shonaid Jemmett-Page
Chairman

Caoimhe Giblin
Director

The accompanying notes on pages 67 to 95 form an integral part of the financial statements.

Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2021

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.

For the year ended 31 December 2020	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Opening net assets attributable to shareholders (1 January 2020)		15,175	1,442,218	385,373	**1,842,766**
Issue of share capital	15	3,066	398,434	—	**401,500**
Share issue costs	15	—	(6,175)	—	**(6,175)**
Profit and total comprehensive income for the year		—	—	104,395	**104,395**
Interim dividends paid in the year	8	—	—	(112,613)	**(112,613)**
Closing net assets attributable to shareholders		**18,241**	**1,834,477**	**377,155**	**2,229,873**

After taking account of cumulative unrealised gains of £111,795,120, the total reserves distributable by way of a dividend as at 31 December 2020 were £265,359,188.

The accompanying notes on pages 67 to 95 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	Note	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Net cash flows from operating activities	17	**242,261**	**123,083**
Cash flows from investing activities			
Acquisition of investments	9	(565,957)	(914,106)
Investment acquisition costs		(6,263)	(3,541)
Repayment of shareholder loan investments	9	8,731	17,307
Net cash flows from investing activities		**(563,489)**	**(900,340)**
Cash flows from financing activities			
Issue of share capital	15	647,618	400,000
Payment of issue costs		(9,715)	(6,175)
Amounts drawn down on loan facilities	13	110,000	880,000
Amounts repaid on loan facilities	13	(260,000)	(380,000)
Finance costs		(30,976)	(20,784)
Dividends paid	8	(138,786)	(112,613)
Net cash flows from financing activities		**318,141**	**760,428**
Net decrease in cash and cash equivalents during the year		**(3,087)**	**(16,829)**
Cash and cash equivalents at the beginning of the year		**7,888**	**24,717**
Cash and cash equivalents at the end of the year		**4,801**	**7,888**

The accompanying notes on pages 67 to 95 form an integral part of the financial statements.

Statement of Cash Flows – Company

For the year ended 31 December 2021

	Note	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Net cash flows from operating activities	17	**(21,668)**	**(738)**
Cash flows from investing activities			
Loans advanced to Group companies	9	(499,800)	(893,046)
Repayment of loans to Group companies	9	203,990	133,994
Net cash flows from investing activities		**(295,810)**	**(759,052)**
Cash flows from financing activities			
Issue of share capital	15	**647,618**	400,000
Payment of issue costs		**(9,715)**	(6,175)
Amounts drawn down on loan facilities	13	**110,000**	880,000
Amounts repaid on loan facilities	13	**(260,000)**	(380,000)
Finance costs		**(30,976)**	(20,784)
Dividends paid	8	**(138,786)**	(112,613)
Net cash flows from financing activities		**318,141**	**760,428**
Net increase in cash and cash equivalents during the year		**663**	**638**
Cash and cash equivalents at the beginning of the year		**1,212**	**574**
Cash and cash equivalents at the end of the year		**1,875**	**1,212**

The accompanying notes on pages 67 to 95 form an integral part of the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

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.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into the UK law and became UK adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group and the Company transitioned to UK adopted international accounting standards in its consolidated financial statements on 1 January 2021. There was no impact or changes in accounting from the transition.

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 22 to 24. The financial risk management objectives and policies of the Group, including exposure to price risk, interest rate risk, credit risk and liquidity risk are discussed in note 18 to the financial statements.

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

As at 31 December 2021, the Group had net current assets of £1.2 million (2020: £0.1 million), which included cash balances of £4.8 million (2020: £7.9 million) (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Group are the payment of dividends and costs relating to the acquisition of new assets, both of which are discretionary. The 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 Company had £950 million (2020: £1,100 million) of outstanding debt as at 31 December 2021, with £350 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.

In the period since 2021 and up to the date of this report, the outbreak of COVID-19 has had a significant impact on the global economy. The Directors and Investment Manager are actively monitoring this and its potential effect on the Group and its SPVs. In particular, they have considered the following specific key potential impacts:

- Unavailability of key personnel at the Investment Manager or Administrator;
- Disruptions to maintenance or repair at the investee company level; and
- Allowance for counterparty credit losses.

In considering the above key potential impacts of COVID-19 on the Group and SPV operations, the Directors have assessed these with reference to the mitigation measures in place. At the Group level, the key personnel at the Investment Manager and Administrator have successfully implemented business continuity plans to ensure business disruption is minimised, including remote working, and all staff are continuing to assume their day-to-day responsibilities.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

1. Significant accounting policies continued

Going concern continued

SPV revenues are derived from the sale of electricity, and although approximately 62 per cent of the portfolio's revenue in 2021 was exposed to the floating power price, revenue is received through power purchase agreements in place with large and reputable providers of electricity to the market and also through government subsidies. In the period since 2021 and up to the date of this report, there has been no significant impact on revenue and cash flows of the SPVs. The SPVs have contractual operating and maintenance agreements in place with large and reputable providers. Therefore, the Directors and the Investment Manager do not anticipate a threat to the Group's revenue.

Wind farm availability has not been significantly affected: wind farms may be accessed and operated remotely in some instances; otherwise social distancing has been possible in large part and personal protective equipment has been used where not possible, for instance where major component changes have been necessary. The Investment Manager is confident that there are appropriate continuity plans in place at each provider to ensure that the underlying wind farms are maintained appropriately and that any faults would continue to be addressed in a timely manner.

Based on the assessment outlined above, including the various risk mitigation measures in place, the Directors do not consider that the effects of COVID-19 have created a material uncertainty over the assessment of the Group as a going concern.

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

On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least up to February 2023. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

1. Significant accounting policies continued

Accounting for subsidiaries continued

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 2021 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 2021:

- *Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39 and IFRS 7*. The reference rate of the Company's loans was amended from LIBOR to SONIA with effect from November 2021. There was no material impact of the introduction of this standard in the year.

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 2022:

- a number of narrow-scope amendments to IFRS 3 "Business combinations", IAS 16 "Property, plant and equipment", IAS 37 "Provisions, contingent liabilities and contingent assets" and annual improvements on IFRS 1 "First-time Adoption of IFRS", IFRS 9 "Financial instruments", IAS 41 "Agriculture" and the Illustrative Examples accompanying IFRS 16 "Leases".

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

1. Significant accounting policies continued

New and amended standards and interpretations not applied continued

Other accounting standards and interpretations have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2022 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Group.

Financial instruments

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

At 31 December 2021 and 2020 the carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses and short term borrowings reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the original instruments and their expected realisation. The fair value of advances and other balances with related parties which are short-term or repayable on demand is equivalent to their carrying amount.

Financial assets

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

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

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

Loans and receivables at amortised cost

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

Investments held at fair value through profit or loss

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

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

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

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

Derecognition of financial assets

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

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

1. Significant accounting policies continued

Financial instruments continued

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.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

1. Significant accounting policies continued

Expenses

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

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

Taxation

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

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

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

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

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

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

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board, 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

2. Critical accounting judgements, estimates and assumptions

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

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

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

The key assumptions that have a significant impact on the carrying value of investments that are valued by reference to the discounted value of future 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.

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 annually by the Investment Manager to ensure they are at the appropriate level. The Investment Manager will take into consideration market transactions, where of similar nature, when considering changes to the discount 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

3. Investment management fees

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

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

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

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

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

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

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

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

	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Cash Fee	21,906	16,900
Equity Element	1,500	1,500
	23,406	**18,400**

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

4. Return on investments

	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Dividends received (note 19)	226,328	123,748
Unrealised movement in fair value of investments (note 9)	155,551	9,763
Interest on shareholder loan investment received (note 19)	39,804	20,793
	421,683	**154,304**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

5. Operating expenses

	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Management fees (note 3)	23,406	18,400
Group and SPV administration fees	857	811
Non-executive Directors' fees	320	308
Other expenses	1,521	1,357
Fees to the Company's Auditor:		
for audit of the statutory financial statements	150	110
for other audit related services	4	4
	26,258	**20,990**

The fees to the Company's Auditor for the year ended 31 December 2021 include £3,900 (2020: £3,800) payable in relation to a limited review of the half year report. In addition to the above, during the year ended 31 December 2021 BDO LLP was paid £36,000 (2020: £23,000) 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 £39,900 (2020: £26,800).

6. Taxation

	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
UK Corporation Tax charge	—	612
	—	**612**

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 (2020: 19 per cent). The differences are explained below.

	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Profit for the year before taxation	363,219	105,007
Profit for the year multiplied by the standard rate of corporation tax of 19 per cent (2020: 19 per cent)	69,012	19,951
Fair value movements (not subject to taxation)	(30,389)	(1,855)
Dividends received (not subject to taxation)	(43,002)	(23,512)
Expenditure not deductible for tax purposes	628	1,525
Surrendering of tax losses to unconsolidated subsidiaries for nil consideration	3,994	3,891
Other net tax deductions	(243)	—
Payments for prior year losses surrendered	—	612
Total tax credit	**—**	**612**

On 3 March 2021 as part of the Spring Budget announcement, the UK Government announced that 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

7. Earnings per share

	For the year ended 31 December 2021	For the year ended 31 December 2020
Profit attributable to equity holders of the Company – £'000	363,219	104,395
Weighted average number of ordinary shares in issue	1,984,849,617	1,594,127,083
Basic and diluted earnings from continuing operations in the year (pence)	**18.30**	**6.55**

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 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**

Interim dividends declared after 31 December 2021 and not accrued in the year	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2021	1.795	41,596
	1.795	**41,596**

On 24 January 2022, the Company announced a dividend of 1.795 pence per share with respect to the quarter ended 31 December 2021, bringing the total dividend declared with respect to the year to 31 December 2021 to £148.0 million, equivalent to 7.18 pence per share. The record date for the dividend is 11 February 2022 and the payment date is 25 February 2022.

The following table shows dividends paid in the prior year.

Interim dividends paid during the year ended 31 December 2020	Dividend per share pence	Total dividend £'000
With respect to the quarter ended 31 December 2019	1.735	26,335
With respect to the quarter ended 31 March 2020	1.775	26,947
With respect to the quarter ended 30 June 2020	1.775	26,953
With respect to the quarter ended 30 September 2020	1.775	32,378
	7.060	**112,613**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

9. Investments at fair value through profit or loss

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 (note 4)	(3,383)	158,934	**155,551**
	924,748	**3,117,797**	**4,042,545**

Group – for the year ended 31 December 2020	Loans £'000	Equity interest £'000	Total £'000
Opening balance	360,698	2,062,508	**2,423,206**
Additions	208,952	705,154	**914,106**
Repayment of shareholder loan investments	(17,307)	—	**(17,307)**
Restructure of shareholder loan investments[1]	50,500	(50,500)	**—**
Unrealised movement in fair value of investments (note 4)	5,113	4,650	**9,763**
	607,956	**2,721,812**	**3,329,768**

[1] The Group's investment in Corriegarth was restructured during the prior year. The Group's equity interest decreased by £50,499,818 and its shareholder loan balance increased by an equivalent amount.

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 2021 £'000	For the year ended 31 December 2020 £'000
Increase/(decrease) in portfolio valuation	116,628	(31,935)
Repayment of shareholder loan investments (note 19)	8,731	17,307
Movement in cash balances of SPVs	26,366	24,391
Windy Rig capital expenditure and Glen Kyllachy working capital	3,826	—
	155,551	**9,763**

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 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**

Company – for the year ended 31 December 2020	Loans £'000	Equity interest £'000	Total £'000
Opening balance	1,392,818	1,052,632	**2,445,450**
Loan advanced to Holdco (note 19)	893,046	—	**893,046**
Repayment of loan to Holdco (note 19)	(150,908)	—	**(150,908)**
Unrealised movement in fair value of investments	—	144,842	**144,842**
	2,134,956	**1,197,474**	**3,332,430**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

9. Investments at fair value through profit or loss continued

Fair value measurements

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

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

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

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

Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the year ended 31 December 2021.

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.

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 2021 was 7.2 per cent (31 December 2020: 6.9 per cent), reflecting a greater proportion of merchant cash flows.

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

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

9. Investments at fair value through profit or loss continued

Fair value measurements continued

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 4 January 2022 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 £4,042,545,081 (2020: £3,329,768,023). The analysis below is provided to illustrate the sensitivity of the fair value of investments to an individual input, while all other variables remain constant. The Board considers these changes in inputs to be within reasonable expected ranges. This is not intended to imply the likelihood of change or that possible changes in value would be restricted to this range.

Input	Base case	Change in input	Change in fair value of investments £'000	Change in NAV per share pence
Discount rate	7.2 per cent	+ 0.5 per cent	(107,603)	(4.6)
		– 0.5 per cent	113,763	4.9
Long term inflation rate	RPI: 3.5 per cent to 2030, 2.5 per cent thereafter	– 0.5 per cent	(108,045)	(4.7)
	CPI: 2.5 per cent	+ 0.5 per cent	113,573	4.9
Energy yield	P50	10 year P90	(234,246)	(10.1)
		10 year P10	234,142	10.1
Power price	Forecast by leading consultant	– 10 per cent	(218,684)	(9.4)
		+ 10 per cent	218,014	9.4
Asset life	30 years	– 5 years	(158,356)	(6.8)
		+ 5 years	108,087	4.7

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 pages 31 to 32.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 2021	Ownership Interest as at 31 December 2020
Andershaw	Scotland(10)	100%	—
Bin Mountain	Northern Ireland(9)	100%	100%
Bishopthorpe	England(10)	100%	100%
Braes of Doune	Scotland(11)	100%	50%
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%	—
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 II	Northern Ireland(9)	100%	100%
Stroupster	Scotland(10)	100%	100%
Tappaghan	Northern Ireland(9)	100%	100%
Walney Holdco(2)	England(10)	100%	100%
Windy Rig	Scotland(10)	100%	—
Bicker Fen	England(10)	80%	80%
Fenlands(3)	England(10)	80%	80%
Nanclach	Scotland(10)	75%	75%
Humber Holdco(4)	England(10)	77.2%	77.2%
Dunmaglass Holdco(5)	Scotland(10)	71.2%	71.2%
Stronelairg Holdco(6)	Scotland(10)	71.2%	71.2%
Hoylake(7)	England(10)	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. The investment was previously held through Nanclach Holdco, which was held through Nanclach Midco, which was held through Breeze Bidco until 19 December 2019, at which point the investment was restructured. Nanclach Holdco and Nanclach Midco were dissolved in September 2020.

(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.

(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 27-28 Eastcastle Street, London, England, W1W 8DH.

(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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

10. Unconsolidated subsidiaries, associates and joint ventures continued

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 2021	Ownership Interest as at 31 December 2020
ML Wind[1]	England[2]	49%	49%
Little Cheyne Court	England[2]	41%	41%
Clyde	Scotland[3]	28.2%	28.2%
Rhyl Flats	Wales[2]	24.95%	24.95%

[1] The Group's investments in Middlemoor and Lindhurst are 49 per cent (2020: 49 per cent). These are held through ML Wind.

[2] The registered office address is Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6PB.

[3] The registered office address is Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

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

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

Provider of security	Investment	Beneficiary	Nature	Purpose	Amount £'000
Holdco	Kype Muir Extension	Nordex	Guarantee	Turbine supply	42,032
The Company	Douglas West	Vestas	Guarantee	Turbine supply	27,022
Holdco	Clyde	SSE	Counter-indemnity	Grid, radar, decommissioning	21,771
The Company	North Hoyle	The Crown Estate	Guarantee	Decommissioning, rent	18,263
The Company	Glen Kyllachy	RWE	Counter-indemnity	Decommissioning, grid	12,238
The Company	Burbo Bank Extension	Orsted	Guarantee	Rent, radar	11,000
The Company	Humber Gateway	RWE	Guarantee	Radar	4,900
The Company	Andershaw	Statkraft	Counter-indemnity	Decommissioning	3,500
The Company	Rhyl Flats	The Crown Estate	Guarantee	Decommissioning	3,156
The Company	Braes of Doune	Land owner	Guarantee	Decommissioning	2,000
The Company	Windy Rig	Santander	Counter-indemnity	Access rights, decommissioning, grid	1,409
The Company	Tom nan Clach	RBS	Counter-indemnity	Decommissioning	1,348
The Company	Douglas West	Land owner	Guarantee	Decommissioning	1,200
The Company	Windy Rig	NATS	Guarantee	Radar	1,028
The Company	Burbo Bank Extension	Santander	Counter-indemnity	OFTO	970
The Company	Stroupster	RBS	Counter-indemnity	Decommissioning	366
Holdco	Stronelairg	SSE	Guarantee	Grid	301
Holdco	Dunmaglass	SSE	Guarantee	Grid	201
The Company	Cotton Farm	Land owner	Guarantee	Decommissioning	165
The Company	Sixpenny Wood	Land owner	Guarantee	Community fund	150
The Company	Yelvertoft	Daventry District Council	Guarantee	Decommissioning	82
The Company	Langhope Rig	Barclays	Counter-indemnity	Decommissioning	81
The Company	Maerdy	Natural Resource Wales	Guarantee	Access rights to neighbouring land	n/a
					153,183

The fair value of these guarantees and counter-indemnities provided by the Group are considered to be £nil (2020: £nil) as disclosed in note 2.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

11. Receivables

Group	31 December 2021 £'000	31 December 2020 £'000
Amounts due from SPVs (note 19)	1,798	—
VAT receivable	407	480
Prepayments	107	90
Other receivables	320	64
	2,632	**634**

Company	31 December 2021 £'000	31 December 2020 £'000
Prepayments	107	90
Other receivables	—	53
	107	**143**

12. Payables

Group	31 December 2021 £'000	31 December 2020 £'000
Loan interest payable	2,788	3,045
Commitment fee payable	344	328
Other finance costs payable	—	43
Acquisition costs payable	1,595	4,538
Investment management fee payable	1,072	—
Share issue costs payable	10	—
Other payables	470	463
	6,279	**8,417**

Company	31 December 2021 £'000	31 December 2020 £'000
Loan interest payable	2,788	3,045
Commitment fee payable	344	328
Other finance costs payable	—	43
Investment management fee payable	1,072	—
VAT payable	—	48
Share issue costs payable	10	—
Other payables	434	448
	4,648	**3,912**

13. Loans and borrowings

Group and Company	31 December 2021 £'000	31 December 2020 £'000
Opening balance	1,100,000	600,000
Revolving credit facility		
Drawdowns	110,000	780,000
Repayments	(260,000)	(380,000)
Term debt facilities		
Drawdowns	—	100,000
Closing balance	**950,000**	**1,100,000**

13. Loans and borrowings continued

Group and Company	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Loan interest	23,113	18,399
Facility arrangement fees	6,375	1,100
Commitment fees	921	1,638
Other facility fees	142	140
Professional fees	138	91
Finance expense	**30,689**	**21,368**

The loan balance as at 31 December 2021 has not been adjusted to reflect amortised cost, as the amounts are not materially different from the outstanding balances.

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

On 29 October 2021, the Company renewed its revolving credit facility with RBS International, RBC, Barclays and Santander with a refreshed tenor and increased the facility by £200 million to £600 million. The terms of the amended 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.

As at 31 December 2021 the company has a total revolving credit facility of £600 million (2020: £400 million), accrued interest was £12,554 (2020: £410,767) and the outstanding commitment fee payable was £343,699 (2020: £327,671).

During the year, the Company refinanced £150 million of term debt, replacing loans with NAB and CBA previously maturing in 2022 with maturities in 2024 and 2027 respectively. In parallel, the Company also amended and restated all term debt facilities to accommodate the discontinuation of LIBOR from 1 January 2022 and its replacement as a reference rate with SONIA. The renewal of the Company's revolving credit facility and amendment and restatement of the Company's respective term debt facilities met the definition of a substantial modification under IFRS 9. The Company's term debt facilities and associated interest rate swaps have various maturity dates, as set out in the below table.

Provider	Maturity date	Loan margin %	Swap fixed rate %	Loan principal £'000	Accrued interest at 31 December 2021 £'000
NAB	1 November 2023	1.20	1.42800	75,000	319
NAB	1 November 2023	1.20	0.77250	25,000	80
CBA	7 December 2023	1.00	0.11300	50,000	88
NAB	4 November 2024	1.15	1.06100	50,000	64
CBA	14 November 2024	1.35	0.80750	50,000	175
CBA	6 March 2025	1.55	1.52650	50,000	253
CIBC	3 November 2025	1.50	1.51030	100,000	445
NAB	1 November 2026	1.50	1.59800	75,000	376
NAB	1 November 2026	1.50	0.84250	25,000	95
CIBC	14 November 2026	1.40	0.81325	100,000	327
CBA	4 November 2027	1.60	1.36800	100,000	554
				700,000	**2,776**

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

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

14. Contingencies and commitments

In December 2019, the Group announced that it had agreed to acquire the Twentyshilling wind farm for a headline consideration of £51.4 million. The Investment is scheduled to complete in March 2022 once the wind farm is fully operational.

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 Q1 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 Q4 2022). The Group also agreed to provide construction finance of up to £47 million, of which £10.6 million had been utilised as at 31 December 2021.

15. Share capital – ordinary shares of £0.01

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 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**

Date	Issued and fully paid	Number of shares issued	Share capital £'000	Share premium £'000	Total £'000
1 January 2020		**1,517,537,310**	**15,175**	**1,442,218**	**1,457,393**
Shares issued to the Investment Manager					
7 February 2020	True-up of 2019 and Q1 2020 Equity Element	316,145	3	372	**375**
20 April 2020	Q2 2020 Equity Element	309,434	3	372	**375**
7 August 2020	Q3 2020 Equity Element	312,344	3	372	**375**
5 November 2020	Q4 2020 Equity Element	310,604	3	372	**375**
		1,248,527	12	1,488	**1,500**
Other					
1 October 2020	Capital raise	305,343,511	3,054	396,946	**400,000**
1 October 2020	Less share issue costs	—	—	(6,175)	**(6,175)**
31 December 2020		**1,824,129,348**	**18,241**	**1,834,477**	**1,852,718**

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

Pursuant to the terms of the Investment Management Agreement, the Investment Manager receives an Equity Element as part payment of its investment management fee as disclosed in note 3 to the financial statements. The figures given in the table in note 3 include the true-up amount of the investment management fee for the periods calculated in accordance with the Investment Management Agreement and issued subsequent to 31 December 2021.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

16. Net assets per share

Group and Company	31 December 2021	31 December 2020
Net assets – £'000	3,093,699	2,229,873
Number of ordinary shares issued	2,317,097,822	1,824,129,348
Total net assets – pence	**133.5**	**122.2**

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

Group	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Operating profit for the year	393,908	126,375
Adjustments for:		
Movement in fair value of investments (notes 4 & 9)	(155,551)	(9,763)
Investment acquisition costs	3,305	8,025
Increase in receivables	(1,995)	(30)
Increase/(decrease) in payables	1,094	(2,412)
Equity Element of Investment Manager's fee (note 3)	1,500	1,500
Consideration for investee company taxable losses	—	(612)
Net cash flows from operating activities	**242,261**	**123,083**

Company	For the year ended 31 December 2021 £'000	For the year ended 31 December 2020 £'000
Operating profit for the year	393,908	125,763
Adjustments for:		
Movement in fair value of investments (note 9)	(418,125)	(144,842)
Non cash settlement of loans to Group companies	—	16,914
Decrease/(increase) in receivables	39	(61)
Decrease in payables	1,010	(12)
Equity Element of Investment Manager's fee (note 3)	1,500	1,500
Net cash flows from operating activities	**(21,668)**	**(738)**

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 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**

Group and Company	Loans and borrowings £'000	Other liabilities £'000
As at 1 January 2020	**600,000**	**2,785**
Cash flows (net)	500,000	(20,784)
Movements in Statement of Comprehensive Income (note 13)	—	21,368
As at 31 December 2020	**1,100,000**	**3,369**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 discount rates are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different valuation for these investments.

Interest rate risk

The Group's interest rate risk on interest bearing financial assets is limited to interest earned on cash. The Group's only other exposure to interest rate risk is due to floating interest rates required to service external borrowings through the revolving credit facility. An increase of 1 per cent represents the Investment Manager's assessment of a reasonably possible change in interest rates. Should the SONIA rate increase by 1 per cent (2020: increase by 1 per cent in the Libor rate), the annual interest due on the facility would increase by £2,500,000 (2020: £4,000,000) on the basis that the revolving credit facility is £250 million drawn (2020: £400 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 and NAB 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 2021 are summarised below:

	Interest bearing			
Group	Fixed rate £'000	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)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

18. Financial risk management continued

Interest rate risk continued

The Group's interest and non-interest bearing assets and liabilities as at 31 December 2020 are summarised below:

Group	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	7,888	**7,888**
Other receivables (note 11)	—	—	544	**544**
Investments (note 9)	607,956	—	2,721,812	**3,329,768**
	607,956	**—**	**2,730,244**	**3,338,200**
Liabilities				
Other payables (note 12)	—	—	(8,417)	**(8,417)**
Loans and borrowings (note 13)	(700,000)	(400,000)	—	**(1,100,000)**
	(700,000)	**(400,000)**	**(8,417)**	**(1,108,417)**

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**
Other receivables (note 11)	—	—	—	**—**
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)**

The Company's interest and non-interest bearing assets and liabilities as at 31 December 2020 are summarised below:

Company	Interest bearing Fixed rate £'000	Interest bearing Floating rate £'000	Non-interest bearing £'000	Total £'000
Assets				
Cash at bank	—	—	1,212	**1,212**
Other receivables (note 11)	—	—	53	**53**
Investments (note 9)	—	—	3,332,430	**3,332,430**
	—	**—**	**3,333,695**	**3,333,695**
Liabilities				
Other payables (note 12)	—	—	(3,912)	**(3,912)**
Loans and borrowings (note 13)	(700,000)	(400,000)	—	**(1,100,000)**
	(700,000)	**(400,000)**	**(3,912)**	**(1,103,912)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 2021 £'000	31 December 2020 £'000
Other receivables (note 11)	727	544
Cash at bank	4,801	7,888
Loan investments (note 9)	924,748	607,956
	930,276	**616,388**

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

Company	31 December 2021 £'000	31 December 2020 £'000
Other receivables (note 11)	—	53
Cash at bank	1,875	1,212
Loan investments (note 9)	2,430,766	2,134,956
	2,432,641	**2,136,221**

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

Group	Rating	31 December 2021 £'000	31 December 2020 £'000
RBS International	BBB+	3,099	6,753
The Crown Estate	n/a	1,702	1,135
		4,801	**7,888**

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

Company	Rating	31 December 2021 £'000	31 December 2020 £'000
The Crown Estate	n/a	1,702	1,135
RBS International	BBB+	173	77
		1,875	**1,212**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 2021	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	727	—	—	**727**
Dividends receivable	—	—	—	**—**
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)**

Group – 31 December 2020	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	544	—	—	**544**
Cash at bank	7,888	—	—	**7,888**
Loan investments (note 9)	—	—	607,956	**607,956**
Liabilities				
Other payables (note 12)	(8,417)	—	—	**(8,417)**
Loans and borrowings	(24,701)	(948,496)	(204,359)	**(1,177,556)**
	(24,686)	**(948,496)**	**403,597**	**(569,585)**

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 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**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

18. Financial risk management continued

Company – 31 December 2020	Less than 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Assets				
Other receivables (note 11)	53	—	—	**53**
Cash at bank	1,212	—	—	**1,212**
Loan investments (note 9)	—	—	2,134,956	**2,134,956**
Liabilities				
Other payables (note 12)	(3,912)	—	—	**(3,912)**
Loans and borrowings	(24,701)	(948,496)	(204,359)	**(1,177,556)**
	(27,348)	**(948,496)**	**1,930,597**	**954,753**

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 40 to 43. £38,060 (2020: £35,221) 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 £499,800,000 (2020: £893,045,995) and Holdco settled amounts of £203,989,872 (2020: £150,908,753). The amount outstanding at the year end was £2,430,765,820 (31 December 2020: £2,134,955,692).

During the year, Holdco received £2,420,077 (2020: £2,937,063) in relation to renewables obligation proceeds on behalf of Bin Mountain, Carcant and Tappaghan. Amounts due to these investee companies as at 31 December 2021 were £nil (2020: £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 (2020: £800,000) was paid from Holdco to the Company under this agreement and amounts due to the Company at the year end were £nil (2020: £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 2021, £490,236 (2020: £nil) was due from Bicker Fen and £1,292,390 (2020: £nil) was due from Fenlands in respect of quarterly corporation tax payments made by Holdco.

As at 31 December 2021, under the terms of Management Services Agreements with the SPVs, Holdco was due to receive £15,171 from Andershaw.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 II, 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 2021

19. Related party transactions continued

	For the year ended 31 December 2020		
	Income received £	Expenses paid to the Investment Manager £	Expenses paid to the Administrator £
Bishopthorpe, Brockaghboy, Church Hill, Corriegarth, Crighshane, Langhope Rig, North Hoyle, Screggagh, Slieve Divena, Slieve Divena II[1], Stroupster, Tom Nan Clach: £47,495 income receivable per wind farm per annum £23,748 expenses payable to the Investment Manager per wind farm per annum £23,748 expenses payable to the Administrator per wind farm per annum	558,066	279,033	279,033
Bin Mountain, Braes of Doune, Carcant, Cotton Farm, Drone Hill, Earl's Hall Farm, Kildrummy, Maerdy, North Rhins, Sixpenny Wood, Tappaghan, Yelvertoft: £35,622 income receivable per wind farm per annum £11,874 expenses payable to the Investment Manager per wind farm per annum £23,748 expenses payable to the Administrator per wind farm per annum	427,464	142,488	284,976
Douglas West: £32,313 income receivable per annum £23,748 expenses payable to the Investment Manager per annum £8,565 expenses payable to the Administrator per annum	32,313	23,748	8,565
Dunmaglass Holdco, Stronelairg Holdco: £7,154 income receivable per wind farm per annum £nil expenses payable to the Investment Manager per wind farm per annum £7,154 expenses payable to the Administrator per wind farm per annum	14,308	—	14,308
Bicker Fen, Fenlands: £2,732 income receivable per wind farm per annum £2,732 expenses payable to the Investment Manager per wind farm per annum £nil expenses payable to the Administrator per wind farm per annum	5,464	5,464	—
Walney Holdco[2]: £18,000 income receivable per annum £9,000 expenses payable to the Investment Manager per annum £9,000 expenses payable to the Administrator per annum	4,500	2,250	2,250
Total	**1,042,115**	**452,983**	**589,132**

(1) Acquired in March 2020. £35,620 income received and £17,805 paid to the Investment Manager and Administrator during the year.
(2) Acquired in August 2020. £4,500 income received and £2,250 paid to the Investment Manager and Administrator during the year.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 2021 £'000	For the year ended 31 December 2020 £'000
Humber Holdco[1]	31,853	—
Clyde	21,654	17,770
Andershaw	15,150	—
Walney Holdco[2]	14,441	—
Brockaghboy	14,331	7,518
Corriegarth[3]	13,778	—
Braes of Doune	11,110	3,862
Stroupster	8,491	3,876
SYND Holdco[4]	8,303	6,782
North Hoyle	8,193	6,242
Fenlands[5]	7,993	5,844
Stronelairg Holdco[6]	7,019	11,454
ML Wind[7]	6,664	5,978
Rhyl Flats	6,163	5,639
Cotton Farm	4,621	4,468
Tappaghan	4,484	3,691
Maerdy	4,382	3,219
Bishopthorpe	4,208	2,811
Dunmaglass Holdco[8]	3,801	3,954
Little Cheyne Court	3,649	4,428
Earl's Hall Farm	3,468	2,794
Kildrummy	3,407	4,488
Slieve Divena	3,295	2,670
Langhope Rig	3,075	3,057
Slieve Divena II	2,714	—
Bicker Fen	2,566	2,841
Screggagh	2,427	1,855
Bin Mountain	1,764	1,256
Carcant	1,601	1,400
Church Hill	903	—
Crighshane	820	—
Corriegarth Holdings[3]	—	5,851
	226,328	**123,748**

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

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

(3) The Group's investment in Corriegarth was previously held through Corriegarth Holdings, until 27 April 2020, at which point the investment was restructured. Corriegarth Holdings was dissolved in September 2020.

(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 investment in Stronelairg is held through Stronelairg Holdco.

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

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2021

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 2021 £'000	For the year ended 31 December 2020 £'000
Walney Holdco	13,051	—
Stronelairg	5,194	5,201
Clyde	4,394	4,290
Dunmaglass	3,410	3,414
Corriegarth	3,410	478
Douglas West	2,505	—
Tom nan Clach	2,996	5,118
Crighshane	1,906	1,040
Slieve Divena II	1,714	544
Church Hill	1,042	708
Andershaw	182	—
	39,804	**20,793**

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

Windfarm	Loans at 1 January 2021[1] £'000	Loans advanced in the year £'000	Loan repayments in the year £'000	Loans at 31 December 2021 £'000	Accrued interest at 31 December 2021 £'000	Total £'000
Andershaw	—	32,641	—	32,641	333	**32,974**
Church Hill	15,075	—	(373)	14,702	118	**14,820**
Clyde	71,503	—	—	71,503	954	**72,457**
Corriegarth	42,553	—	—	42,553	427	**42,980**
Crighshane	24,665	—	(2,401)	22,264	66	**22,330**
Douglas West	19,217	25,168	(737)	43,648	352	**44,000**
Dunmaglass	56,864	—	—	56,864	860	**57,724**
Glen Kyllachy	—	51,470	—	51,470	93	**51,563**
Hoylake[2]	—	172,279	—	172,279	1,007	**173,286**
Kype Muir	—	10,606	—	10,606	96	**10,702**
Slieve Divena II	22,182	—	—	22,182	91	**22,273**
Stronelairg	86,619	—	—	86,619	1,310	**87,929**
Tom nan Clach	85,874	—	(5,220)	80,654	568	**81,222**
Walney	172,727	—	—	172,727	880	**173,607**
Windy Rig	—	36,772	—	36,772	109	**36,881**
	597,279	**328,936**	**(8,731)**	**917,484**	**7,264**	**924,748**

(1) Excludes accrued interest at 31 December 2020 of £10,675,825.

(2) 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 2021

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 24 January 2022, the Company announced a dividend of £41.6 million, equivalent to 1.795 pence per share with respect to the quarter ended 31 December 2021, bringing the total dividend declared with respect to the year to 31 December 2021 to 7.18 pence per share. The record date for the dividend was 11 February 2022 and the payment date is 25 February 2022.

On 31 January 2022, the Company utilised £200 million under its 8 year term debt facility with AXA and repaid the Company's revolving credit facility, leaving £50 million drawn as at the date of this report.

Company Information

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

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Queen's Road
Belfast
BT3 9DT

Depositary
Ocorian Depositary (UK) Limited
Unit 4, The Legacy Building
Northern Ireland Science Park
Queen's Road
Belfast
BT3 9DT

Registrar
Computershare Limited
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Registered Company Number
08318092

Registered Office
27-28 Eastcastle Street
London
W1W 8DH

Registered Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

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

Joint Broker
Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

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 88 staff for the financial year ending 31 December 2021 was £16.5 million, consisting of £11.4 million fixed and £5.1 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 £1.1 million.

Defined Terms

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

AGM means Annual General Meeting of the Company

AIC means the Association of Investment Companies

AIC Code means the AIC's Code of Corporate Governance

AIF means an Alternative Investment Fund as defined under the AIFMD

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

AIFMD means the Alternative Investment Fund Managers Directive

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

AXA means funds managed by AXA Investment Managers UK Limited

Balancing Mechanism means the system by which electricity demand and supply is balanced by National Grid in close to real time

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

Company means Greencoat UK Wind PLC

COP26 means the 2021 United Nations Climate Change Conference

Corriegarth means Corriegarth Wind Energy Limited

Corriegarth Holdings means Corriegarth Wind Energy Holdings Limited

Cotton Farm means Cotton Farm Wind Farm Limited

COVID-19 means an infectious disease discovered in late 2019 and caused by the corona virus.

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

Defined Terms continued

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

ESG means Environmental, Social and Governance

EU means the European Union

Fenlands means Fenland Windfarms Limited

FRC means the Financial Reporting Council

GAV means Gross Asset Value

Glass Moor means Glass Moor wind farm

Glen Kyllachy means Glen Kyllachy Wind Farm Limited

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

HMP means Habitat Management Plan

Holdco means Greencoat UK Wind Holdco 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 Greencoat Capital LLP

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

IRR means Internal Rate of Return

Kildrummy means Kildrummy Wind Farm Limited

KPI means Key Performance Indicator

Langhope Rig means Langhope Rig Wind Farm Limited

LIBOR means the London Inter Bank Offered Rate

Lindhurst means Lindhurst Wind Farm

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

Little Cheyne Court means Little Cheyne Court Wind Farm Limited

Maerdy means Maerdy Wind Farm Limited

Middlemoor means Middlemoor Wind Farm

ML Wind means ML Wind LLP

NAB means National Australia Bank

Nanclach means Nanclach Limited

NAV means Net Asset Value

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

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

Rhyl Flats means Rhyl Flats Wind Farm Limited

ROC means Renewable Obligation Certificate

RPI means the Retail Price Index

Santander means Santander Global Banking and Markets

Screggagh means Screggagh Wind Farm Limited

Sixpenny Wood means Sixpenny Wood Wind Farm Limited

Slieve Divena means Slieve Divena Wind Farm Limited

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

SONIA means the Sterling Overnight Index Average

Defined Terms continued

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

UK means the United Kingdom of Great Britain and Northern Ireland

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

Walney means Walney Holdco and Walney Wind Farm

Walney Holdco means Greencoat Walney Holdco Limited

Walney Wind Farm means Walney (UK) Offshore Windfarms Limited

Wind Rig means Windy Rig Wind Farm Limited

Yelvertoft means Yelvertoft Wind Farm Limited

Alternative Performance Measures

Performance Measure	Definition
CO_2 emissions reduced 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.
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 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 during the year, 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.