GREENCOAT UK WIND

Greencoat UK Wind PLC

Annual Report

For the year ended 31 December 2014

GREENCOAT UK WIND

Contents

Company Information

Directors (all non-executive)
Tim Ingram *(Chairman)*
Shonaid Jemmett-Page
William Rickett C.B.
Dan Badger
Kevin McCullough (resigned 31 December 2014)
Martin McAdam (appointed with effect from 1 March 2015)

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08318092

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London
W1W 8DH

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Administrator and Company Secretary
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Queen's Road
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BT3 9DT

Registrar
Capita Asset Services
The Registry
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Beckenham
Kent
BR3 4TU

Registered Auditor
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55 Baker Street
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W1U 7EU

Legal Adviser
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SE1 2AQ

Brokers
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Riverbank House
2 Swan Lane
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EC4R 3BF

Winterflood Securities Limited
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Cannon Bridge House
25 Dowgate Hill
London
EC4R 2GA

Account Bank
The Royal Bank of Scotland PLC
280 Bishopsgate
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EC2M 4RB

All capitalised terms are defined in the list of defined terms on page 68 unless separately defined.

Summary

Greencoat UK Wind PLC is the leading renewable infrastructure fund, solely and fully invested in operating 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 and the prudent use of portfolio leverage.

Highlights

- The Group's investments generated 564.6GWh of electricity, in line with expectations.
- Net cash generation after fees, costs and expenses (Group and wind farm SPVs) was £32.4 million.
- Acquisition of interests in six further wind farms using the Group's cash resources and acquisition debt facility increased the portfolio to sixteen wind farms, net generating capacity to 271.5MW and GAV to £591.2 million as at 31 December 2014.
- The Company declared total dividends of 6.16 pence per share in relation to the year and announced a target dividend of 6.26 pence per share for 2015.
- NAV growth of 2.5 pence per share (adjusting for dividends).
- Successful capital raise in October 2014 at 107.0 pence per share raising gross issue proceeds of £125 million, 25 per cent. above target.
- £105 million outstanding acquisition debt facility at 31 December 2014, equivalent to 18 per cent. of GAV.

Key Metrics

	As at 31 December 2014	As at 31 December 2013[1]
Market capitalisation	**£511.4 million**	£351.5 million
Share price	**111.0 pence**	103.0 pence
Dividends with respect to the year	**£24.8 million**	£14.2 million
Dividends with respect to the year per share	**6.16 pence**	4.5 pence
GAV	**£591.2 million**	£401.1 million
NAV	**£486.2 million**	£351.1 million
NAV per share	**105.5 pence**	102.9 pence
NAV growth (adjusting for dividends)	**2.5 pence**	1.9 pence
Total return (NAV)	**8.7 per cent.**	6.5 per cent.
TSR	**13.7 per cent.**	4.5 per cent.

(1) period from listing on 27 March 2013 to 31 December 2013

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 operating UK wind farms.
- Wind is the most mature and largest scale renewable technology.
- The UK has a long established and stable regulatory regime, high wind resource and £60 billion of wind farms in operation in the short to medium term.
- The Group is wholly independent and thus avoids conflicts of interests in its investment decisions.
- The UK-based, 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.
- The Group only invests in wind farms that have an appropriate operational track record (or price adjustment mechanism as disclosed in note 14 to the financial statements).
- Low leverage (including no asset level leverage) 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 currency risk.

Chairman's Statement

I am pleased to present the annual report of Greencoat UK Wind PLC for the year ended 31 December 2014. The Company listed on 27 March 2013 and this is the first full year of operations[(1)].

Performance

The portfolio performed in line with expectations producing 564.6GWh of power during the year. Net cash generated by the Group and wind farm SPVs during the year was £32.4 million, out of which £20.8 million was paid in dividends and the excess was reinvested (including debt repayment). Dividend cover was 1.6x.

Dividends and Returns

In line with our stated target for 2014, the Company has declared dividends totalling 6.16 pence per share for 2014. In addition, NAV per share increased from 99.9 pence (ex dividend) on 31 December 2013 to 102.4 pence (ex dividend) on 31 December 2014, an increase in NAV per share of 2.5 per cent., while RPI increased by 1.6 per cent. over the same period. The full year return to investors was thus 8.7 per cent., being dividends declared plus NAV growth per share.

We consulted with shareholders during the year on frequency of dividend payments, and as a result, following the payment of the 3.08p per share dividend in February 2015, it is our intention to pay dividends on a quarterly basis thereafter. A resolution is to be proposed at the forthcoming AGM seeking approval of this dividend policy.

Acquisitions and Equity Raising

During the year, the Group made six additional high quality investments, increasing our net generating capacity to 271.5MW. In June we acquired Kildrummy and Maerdy wind farms and in August we co-invested with Swiss Life and acquired Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft wind farms. The Company has now acquired assets from five different vendors, a testament to independence by being selective in acquisitions and delivering best value for investors.

In October the Company raised gross proceeds of £125 million through the issuance of 116.8 million new shares at an issue price of 107 pence per share.

The Board was delighted that the placing was significantly above target, and believes that growth of the Company benefits shareholders through increasing liquidity of its shares, increasing its competitive position and providing economies of scale.

The Board is consulted on all acquisitions from pipeline to purchase, as well as fundraisings, and takes the final decisions to ensure that they are in the best interests of shareholders.

In February 2015, nearly two years after listing, seed investor, BIS, sold its shareholding. From the outset, BIS's objective was to support the launch of the Company, thereby helping to encourage significant additional private capital into renewable energy infrastructure. BIS's support has proven to be very successful, with over £1.7 billion of private capital being raised by the Company and follow-on funds, helping to speed up the process of recycling capital into the construction of new renewable energy assets.

Leverage

The Group's policy is to have no leverage at the individual asset level and to keep overall Group level borrowings at a prudent level (the maximum is 40 per cent. of GAV) to reduce risk while ensuring that the Group is at least fully invested thus always using its capital efficiently.

As at 31 December 2014, the Group's borrowings were £105 million, equivalent to 18 per cent. of GAV. Over the medium term, we would expect leverage to be between 20 per cent. and 30 per cent. (combination of short and long term borrowing).

Board

On 31 December 2014, Kevin McCullough resigned from the Board and I would like to thank him for his contribution to the Company during his term. We are pleased to welcome Martin McAdam as a Director of the Company with effect from 1 March 2015.

This year, the July board meeting was held at the operations base for Rhyl Flats and was followed by an enjoyable and informative site visit.

[(1)]The Company was formed on 4 December 2012, so comparative information in the financial statements covers the period from 4 December 2012 to 31 December 2013, but during that period the meaningful activities of the Company took place from the Company's listing on the London Stock Exchange on 27 March 2013 to 31 December 2013.

Chairman's Statement continued

Sixpenny Wood

Outlook

Renewable generation build-out is needed not only to achieve the UK's low carbon targets but also, as importantly, to bolster security of supply. Wind remains the most mature and widely deployed renewable technology available in the UK and electricity production from wind is becoming an increasingly important part of the UK's generation mix.

We expect a significant number of further investment opportunities for the Group as utilities and developers continue to seek to recycle their capital. We are currently evaluating a number of potential opportunities for further investment, and will invest selectively, providing the terms are attractive for our shareholders.

Power prices were lower than forecast in 2014 owing to lower gas prices. The long term outlook is updated each quarter and reflected in our reported NAV.

Given the strength and stability of our cash generation, we are targeting a dividend of 6.26 pence per share in respect of 2015 (increased in line with RPI).

Annual General Meeting

The 2015 AGM will take place on Tuesday 28 April 2015 at 2.30pm at the offices of Norton Rose Fulbright. Details of the formal business of the meeting are set out in a separate circular which is being sent to shareholders with the annual report. We look forward to meeting shareholders on that occasion.

Tim Ingram
Chairman

22 February 2015

Strategic Report

Introduction

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform shareholders and help them to assess how the Directors have performed their duty to promote the success of the Company.

Investment Objective

The Company's aim is to continue 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 and the prudent use of portfolio leverage. The 2014 dividend of 6.16 pence per annum is targeted to increase in line with the RPI to 6.26 pence for 2015. The target return to investors is an IRR net of fees and expenses of 8 per cent. to 9 per cent. Progress on the objectives is measured by reference to the key metrics on page 2.

Investment Policy

The Group invests in unlevered operating UK wind farms predominantly with a capacity of over 10MW, which sell the power produced and associated green benefits to creditworthy UK offtakers under route-to-market power purchase agreements.

The Group is structured by design to be a utility friendly buyer and co-investor in utility owned wind farms since utilities are the owners of the significant majority of UK operating wind farms. The Group is wholly independent and is not tied to any particular utility or developer.

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

The Group has used acquisition debt to make further 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. Execution risk is also significantly lower relative to project financed acquisitions. Consequently, the Group has seen an increase in the returns it has been able to achieve from further investments. The Group will continue to use acquisition debt facilities to make further investments.

The Group will look to further refresh such debt facilities by refinancing them in the equity markets at appropriate times. While acquisition debt is drawn, the Group benefits from an increase in investor returns because borrowing costs are below the underlying return on investments.

In contrast to the PFI infrastructure sector (smaller in terms of total equity invested and occupied by larger funds), where links to developers may be beneficial in sourcing new acquisitions, independence is of key importance for the Company to continue to make acquisitions at the best possible price. The Investment Manager's relationships across the sector are also helpful.

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 Group believes that there is a significant market in which it 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 includes the Company, LLP (of which the Company and the Investment Manager are the members) and Holdco, a wholly-owned subsidiary of LLP. Holdco invests in SPVs, which hold the underlying wind farm assets. The Group employs Greencoat Capital LLP as its Investment Manager.

Yelvertoft

Strategic Report continued

Maerdy

Discount Control

The Articles of Association require there to be a continuation vote by shareholders if the share price were to trade at an average discount 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

The wind farm assets have performed in line with management expectations in terms of energy production, operational expenditure and overall cash flow generation. A more detailed discussion of the individual project performance and a review of the business in the year together with future outlook are covered in the Investment Manager's Report on pages 10 to 18.

Key Performance Indicators

The Board believes that the key metrics detailed on page 2, which are typical for investment funds, will provide shareholders with sufficient information to assess how effectively the Group is meeting its objectives.

Ongoing Charges

The ongoing charges ratio of the Company is 1.42 per cent. for the year to 31 December 2014. This is made up as follows and has been calculated using the AIC recommended methodology.

	31 December 2014	31 December 2013
Total management fee and priority profit share	**1.20%**	1.20%
Directors' fees	**0.05%**	0.07%
On-going expenses	**0.17%**	0.19%
Total	**1.42%**	1.46%

The management fee and priority profit share paid to the Investment Manager are based on NAV. If they were stated with reference to the Adjusted Portfolio Value (in line with a number of the Company's peers) then the annual management fee and priority profit share would be 0.9 per cent., assuming 25 per cent. medium term gearing (current gearing 18 per cent.).

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

Corporate and Social Responsibility

Environmental

The Group invests in wind farms and the environmental benefits of renewable energy are widely known. The Group's Environmental, Social and Governance policy outlines the Group's approach to responsible investing, as well as the environmental standards which it aims to meet. Responsible investing principles have been applied to each of the investments made.

Employees and Officers of the Company

The Company does not have any employees and therefore employee policies are not required. The Directors of the Company are listed on page 1.

Social, Community and Human Rights Issues

The Company's Environmental, Social and Governance policy also outlines the Company's aims in relation to social standards, covering the requirement to continue to meet legal standards and good industry practice. The policy requires the Company to make reasonable endeavours to procure the ongoing compliance of its portfolio companies with the policy. The Investment Manager monitors compliance at the investment phase and reports on an ongoing basis to the Board.

Strategic Report continued

Gender Diversity

As at the date of this report, the Board comprised three men and one woman. The Board is aware of the benefits of diversity and considers this when appointing Board Directors. The Investment Manager operates an equal opportunities policy and its partners and employees comprise fifteen men and twelve women.

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 key risks identified by the Board to the performance of the Group are detailed below.

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 their impact should they crystallise.

The spread of assets within the portfolio both by asset type (onshore and offshore) and by geographical location 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 six 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 its investment objective depends heavily on the managerial experience of the management team within the Investment Manager and more generally on the Investment Manager's ability to attract and retain suitable staff. The sustained growth of the Group depends upon the ability of the Investment Manager to identify, select and execute further investments which offer the potential for satisfactory returns.

The Investment Management Agreement includes key man provisions which would require the Investment Manager to employ alternative staff with similar experience relating to investment, ownership, financing and management of wind farm projects 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. The key men also have an equity stake in the Company and are incentivised through the management fee which is linked to NAV.

Maerdy

Strategic Report continued

Risks Affecting the Group continued

Financing Risk

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

Investment Returns Become Unattractive

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

Risks Affecting Investee Companies

Regulation

A change in Government policy could lead to new renewable energy policies resulting in a change or abandonment of the Renewables Obligation. If these 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. At the same time, such a policy change would be likely to halt further investment in new generating capacity, resulting in legally binding renewable energy targets being missed and adding to the already considerable security of supply concerns.

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. This principle of "grandfathering" was confirmed in the Energy Act 2013.

Electricity Prices

Other things being equal, a decline in the market price of electricity would reduce the portfolio companies' revenues. Approximately half of the Group's revenues are derived from renewable support mechanisms, which are not linked to power prices.

The Group's dividend policy has been designed to withstand significant short term variability in power prices. A longer period of power price decline would materially affect the revenues of investee companies. In general, independent forecasters expect UK wholesale electricity prices to continue to rise in real terms (in the short and long term), based on tighter UK capacity margins in the short term and global energy supply and demand in the long term, together with the ongoing phasing out of coal-fired power stations.

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 wind speed is 6 per cent. over a 12 month period (2 per cent. over 10 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 asset level leverage and has designed its dividend policy such that it can withstand significant short term variability in production relating to wind. Before purchase, 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 energy, is mitigated by only purchasing wind farms with a proven operating track record.

When acquiring wind farms which 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" which will apply once two years' operational data has become available. Under this true-up, the net load factor will be reforecast based on all available data and the purchase price will be adjusted, subject to de minimis thresholds and caps.

Asset Life

Wind turbines may have shorter life-spans than their expected life-span of 25 years. In the event that the wind turbines do not operate for the period of time assumed by the Group in its business model or require additional maintenance expenditure to do so, it could have a material adverse effect on investment returns.

The Group invests in companies that own wind turbines that have an appropriate operational track record. 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 and that turbines are fit for purpose over their expected life spans.

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 inappropriately assessed and managed, pose health and safety risks to those involved. Wind farm operation and maintenance may result in bodily injury or industrial accidents, 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 under insurance policies. In addition, adverse publicity or reputational damage could ensue.

The Group engages a leading health and safety consultant to ensure the ongoing appropriateness of its health and safety policies.

By order of the Board

Tim Ingram
Chairman

22 February 2015

Sixpenny Wood

Investment Manager's Report

The Investment Manager

The investment management team's experience covers ownership, financing and operation of wind farm projects, both onshore and offshore, and investment in renewable energy infrastructure. All the skills and experience required to manage the Company's business lie within a single investment manager. The team is led by Stephen Lilley and Laurence Fumagalli.

Stephen Lilley has eighteen years of investment management and financing experience in addition to six years in industry and has invested over £800 million into the utilities and renewable sectors including stakes in UK onshore and offshore wind assets. Prior to joining the Investment Manager, Stephen led the Renewable Energy Infrastructure Asset Management team at Climate Change Capital (CCC) and was a senior director of M&G Investment Management's European Infrastructure fund. At M&G, Stephen led over £400 million of investments, including the acquisition of stakes in Kelda Group (Yorkshire Water), Zephyr (wind farms) and Meter Fit (gas/electricity metering). He also sat on the boards of these companies after acquisition. Prior to this he was a director at the Financial Security Assurance where he led over £2 billion of underwritings in the infrastructure and utility finance sectors. He has also worked for the investment companies of the Serco and Kvaerner Groups.

Laurence Fumagalli also has eighteen years of investment management and financing experience and has financed and advised on over one GW of installed UK wind capacity including the Zephyr portfolio, the RES Astraeus portfolio and the UK wind portfolios of Fred Olsen and Falck Renewables. Prior to joining the Investment Manager, Laurence held a number of senior roles within CCC including being responsible for origination and execution of investments for all regions outside of China for CCC's €650 million Carbon Fund and €100 million Carbon Managed Account. Laurence and Stephen worked together on creating a listed wind fund from early 2011. Prior to joining CCC, Laurence spent approximately ten years in the European power sector in project and structured finance including heading up the Bank of Tokyo-Mitsubishi's London-based renewables team.

Further detail is shown on the Investment Manager's website (www.greencoat-capital.com/team/uk-wind.aspx).

The Investment Manager is authorised and regulated by the Financial Conduct Authority and is a full scope UK AIFM.

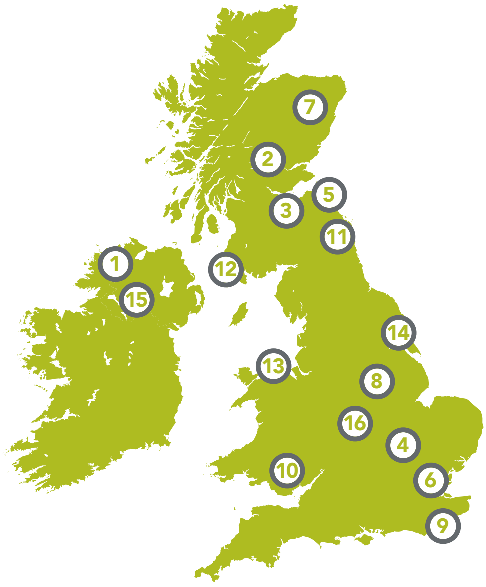
Investment Portfolio

The Group's investment portfolio as at the date of this report consists of interests in SPVs which hold the following underlying operating wind farms:

Wind farm	Turbines	Operator	PPA	Total MW	Ownership Stake	Net MW
Bin Mountain	GE	SSE	SSE	9.0	100%	9.0
Braes of Doune	Vestas	DNV-GL	Centrica	72.0	50%	36.0
Carcant	Siemens	SSE	SSE	6.0	100%	6.0
Cotton Farm	Senvion	BayWa	Sainsbury's	16.4	100%	16.4
Drone Hill	Nordex	BayWa	Statkraft	28.6	51.6%	14.8
Earl's Hall Farm	Senvion	BayWa	Sainsbury's	10.3	100%	10.3
Kildrummy	Enercon	BayWa	Sainsbury's	18.4	100%	18.4
Lindhurst	Vestas	RWE	RWE	9.0	49%	4.4
Little Cheyne Court	Nordex	RWE	RWE	59.8	41%	24.5
Maerdy	Siemens	Wind Prospect	Statkraft	24.0	100%	24.0
Middlemoor	Vestas	RWE	RWE	54.0	49%	26.5
North Rhins	Vestas	DNV-GL	E.ON	22.0	51.6%	11.4
Rhyl Flats	Siemens	RWE	RWE	90.0	24.95%	22.5
Sixpenny Wood	Senvion	BayWa	Statkraft	20.5	51.6%	10.6
Tappaghan	GE	SSE	SSE	28.5	100%	28.5
Yelvertoft	Senvion	BayWa	Statkraft	16.4	51.6%	8.5
Total						**271.5**

Investment Manager's Report continued

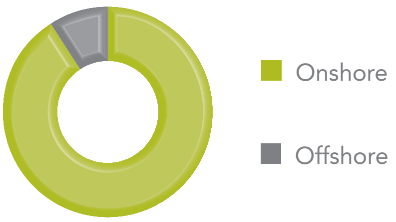
Investment Portfolio continued



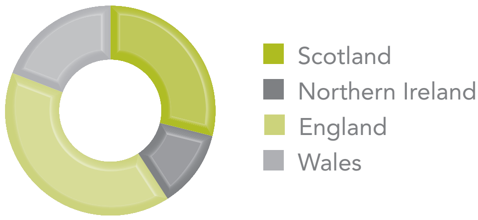
1 Bin Mountain
2 Braes of Doune
3 Carcant
4 Cotton Farm
5 Drone Hill
6 Earl's Hall Farm
7 Kildrummy
8 Lindhurst
9 Little Cheyne Court
10 Maerdy
11 Middlemoor
12 North Rhins
13 Rhyl Flats
14 Sixpenny Wood
15 Tappaghan
16 Yelvertoft

The portfolio breakdown by value as at 31 December 2014 is as follows:

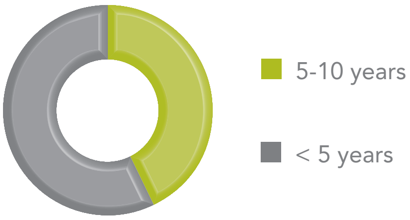
Onshore/Offshore



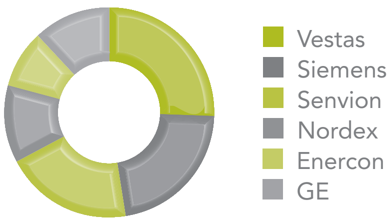
Geography



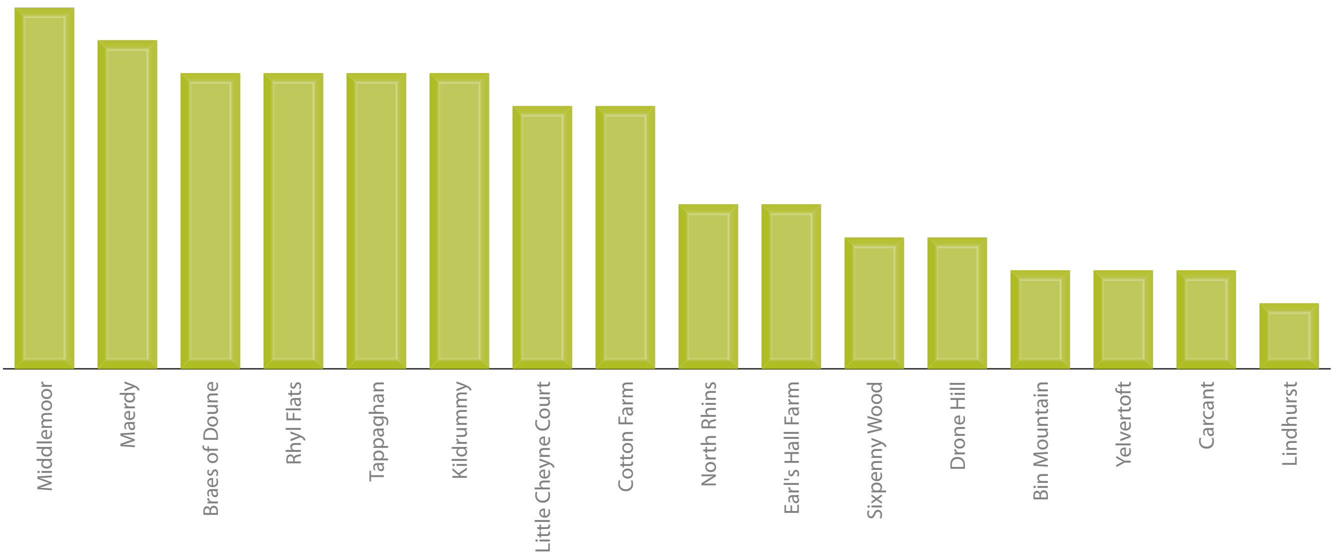
Asset Age



Turbine Manufacturer



Assets

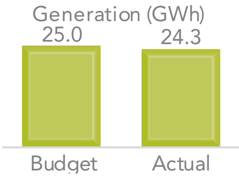


Investment Manager's Report continued

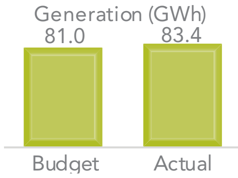
Portfolio Performance

The portfolio has performed in line with management expectations and there are no material issues that are affecting the performance of the assets.

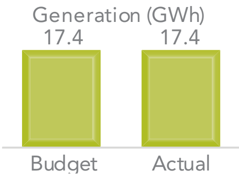
Bin Mountain (100%) Jan-Dec



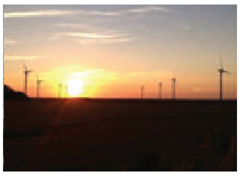
Braes of Doune (50%) Jan-Dec

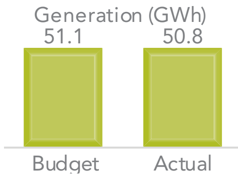


Carcant (100%) Jan-Dec

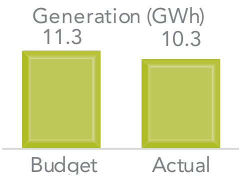


Cotton Farm (100%) Jan-Dec

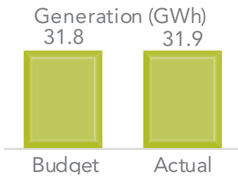




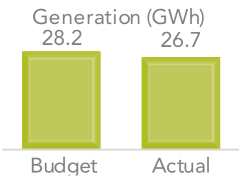
Drone Hill (51.6%) Sep-Dec



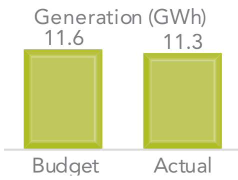
Earl's Hall Farm (100%) Jan-Dec



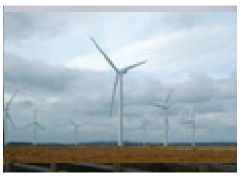
Kildrummy (100%) Jul-Dec

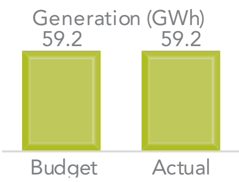


Lindhurst (49%) Jan-Dec

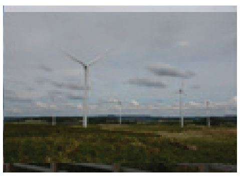


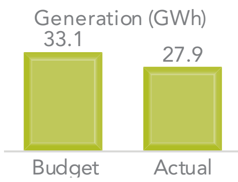
Little Cheyne Court (41%) Jan-Dec



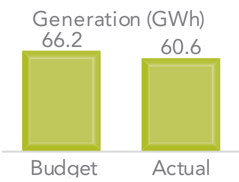


Maerdy (100%) Jul-Dec

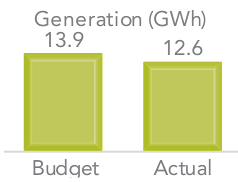




Middlemoor (49%) Jan-Dec



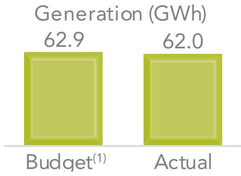
North Rhins (51.6%) Sep-Dec



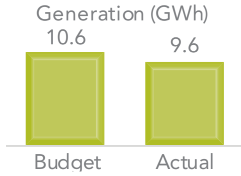
Investment Manager's Report continued

Portfolio Performance continued

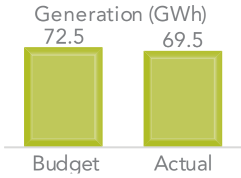
Rhyl Flats (24.95%) — Jan-Dec



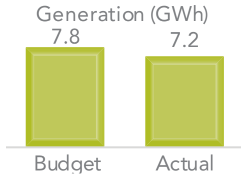
Sixpenny Wood (51.6%) — Sep-Dec



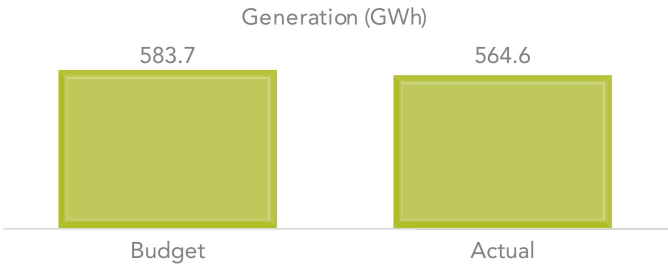
Tappaghan (100%) — Jan-Dec



Yelvertoft (51.6%) — Sep-Dec



Portfolio (net)



(1) Ongoing Rhyl Flats budget = 68.8GWh per annum. 2014 budget reduced to reflect grouting and other scheduled works (completed).

Generation for the year was 564.6GWh, 3 per cent. below budget (8 per cent. above budget for the period 27 March 2013 to 31 December 2013)[2]. Generation for the first six months of the year was in line with budget (as described in the half-yearly report), with the shortfall occurring in the second half of the year owing to lower wind resource. This effect was amplified by virtue of the portfolio increasing from 184.0MW to 271.5MW in the second half of the year.

Grouting and other scheduled works reduced availability at Rhyl Flats during the year. These works are now complete.

Major unscheduled outages included the failure of a blade at Little Cheyne Court (as a result of a lightning strike) and two further onshore cable joint failures at Rhyl Flats (all three cable joints have now been upgraded with a permanent rectification). Each is an insured event.

Power prices were weaker than forecast in 2014 owing to lower than forecast gas prices.

Slightly lower generation and weaker power prices led to lower 2014 revenues than forecast, but net cash generation and dividend cover remained robust (see Financial Performance below).

Various operation and maintenance contracts were renewed in the year (including the Siemens warranty, operation and maintenance contract at Rhyl Flats and operational management contracts at a number of wind farms). Together, these renewals result in approximately £1 million of ongoing savings per annum (approximately £10 million in NAV terms).

(2) Deviations from budget lie within reasonable statistical parameters. The standard deviation of energy yield over a 12 month period is 10 per cent. (standard deviation of wind speed 6 per cent.).

Investment Manager's Report continued

Health and Safety

There were no major incidents in the year to 31 December 2014.

Acquisitions

During the year, the Investment Manager priced 37 wind farms totalling 1,437MW, with 24 (1,042MW) being presented to the Investment Committee. Of the wind farms priced, six investments were made by the Company and 16 were acquired by other buyers.

The six wind farms acquired in 2014 were Kildrummy and Maerdy in June and Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft in August. Total investment amounted to £189.8 million (including acquisition and upfront finance costs, excluding cash).

Kildrummy was the third wind farm acquired from BayWa (Cotton Farm and Earl's Hall Farm were acquired in October 2013). The Company was the natural counterparty for BayWa owing to agreed documentation and trusted execution.

Maerdy was the first wind farm acquired from Velocita; trusted execution was again important.

Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft were acquired from AES, who wished to sell its entire UK operating portfolio. The Company invested alongside Swiss Life (51.6 per cent. and 48.4 per cent. respectively) and was in a strong competitive position since 100 per cent. investments require ongoing expertise and resources beyond the scope of the majority of financial investors.

The six investments represent further expansion and diversification of the portfolio at attractive IRRs. All six investments have been fully integrated into the portfolio (including the replacement of AES as operational manager at the end of January 2015).

Financial Performance

The table below demonstrates strong dividend cover in the year of 1.6x. Net cash generation after fees, costs and expenses was £32.4 million. After dividends, reinvestment, debt repayment and equity issuance, cash balances (Group and wind farm SPVs) increased from £17.1 million to £19.0 million in the year to 31 December 2014.

Group and wind farm SPV cash flows	Year ended 31 December 2014 £m
Net cash generation (after fees, costs and expenses)	**32.4**
Dividends paid (February 2014 and August 2014)	**(20.8)**
Investment in Kildrummy[1]	(44.1)
Debt drawn down	42.0
Net reinvestment	**(2.1)**
Investment in Maerdy[1]	(53.5)
Debt drawn down	51.0
Net reinvestment	**(2.5)**
Investment in AES portfolio[1]	(92.1)
Debt drawn down	90.0
Net reinvestment	**(2.1)**
Tap issue (February 2014)	**2.0**
Debt repayment (March 2014)	**(8.0)**
Gross issue proceeds (October 2014)	125.0
Issuance costs[2]	(1.8)
Debt repayment (October 2014)	(120.0)
Net issue proceeds	**3.2**
Movement in cash (Group and wind farm SPVs)[3]	**1.9**
Opening cash balance (Group and wind farm SPVs)	**17.1**
Ending cash balance (Group and wind farm SPVs)	**19.0**
Net cash generation	32.4
Dividends	20.8
Dividend cover	**1.6x**

(1) including acquisition and upfront finance costs, excluding cash

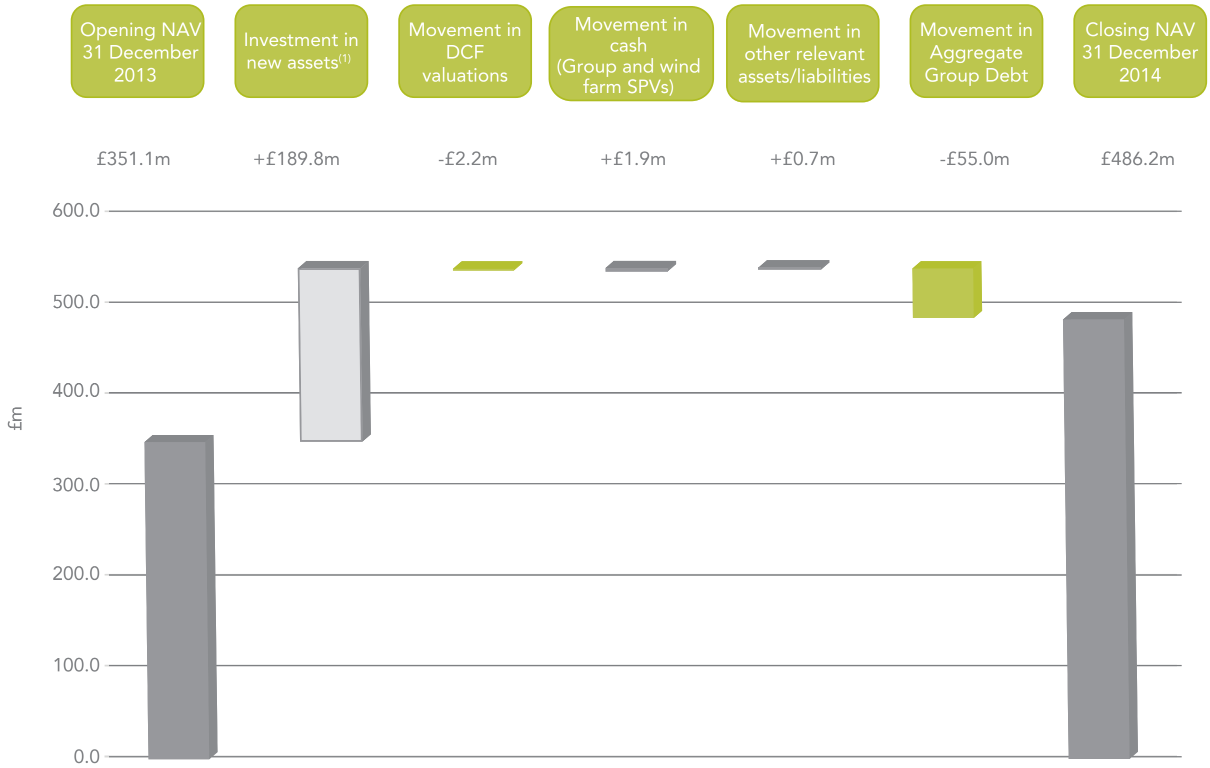
(2) issuance costs paid as at 31 December 2014 (£0.3 million outstanding)

(3) numbers do not cast owing to rounding

Investment Manager's Report continued

Investment Performance

The NAV at 31 December 2013 was £351.1 million (102.9 pence per share) and increased to £486.2 million (105.5 pence per share) by 31 December 2014.



Shares in issue	341,243,001	460,715,847
NAV/share (pence)	102.9	105.5

(1) including upfront acquisition and finance costs, excluding cash.

NAV growth from 30 September 2014 (104.8 pence per share) to 31 December 2014 (105.5 pence per share) was weaker owing to the incorporation of lower power price forecasts in the 31 December 2014 NAV. While lower, long term power price forecasts have not fallen to the same degree as short term prices. The 31 December NAV also incorporates certain operational savings (see Portfolio Performance above).

A dividend of £10.6 million (3.08 pence per share) was paid in August 2014 in respect of the period 1 January to 30 June 2014 and a dividend of £14.2 million (3.08 pence per share) will be paid on 27 February 2015 in respect of the period 1 July to 31 December 2014.

Summary:

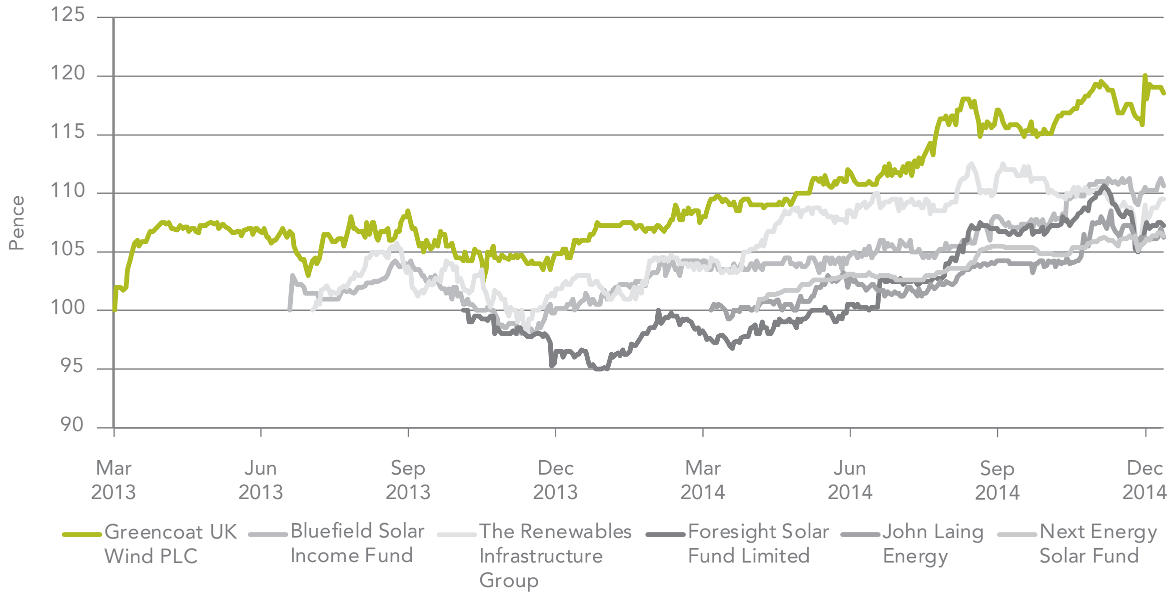
	pence	per cent.
NAV at 31 December 2013	102.9	
Less February 2014 dividend	(3.0)	
NAV at 31 December 2013 (ex dividend)	99.9	
NAV at 31 December 2014	105.5	
Less February 2015 dividend	(3.1)	
NAV at 31 December 2014 (ex dividend)	102.4	
Movement in NAV (ex dividend)	2.5	2.5
Dividends with respect to the year	6.2	6.2
Total return	8.7	8.7

Investment Manager's Report continued

Investment Performance continued

The below graph charts TSR against market peers.

Total shareholder return vs market peers *(Bloomberg)*



Reconciliation of Statutory Net Assets to Published NAV

	As at 31 December 2014 £	As at 31 December 2013 £
DCF valuation	572,541,109	384,963,210
Cash (wind farm SPVs)	10,647,429	9,801,960
Fair value of investments	**583,188,538**	**394,765,170**
Cash (Group)	8,320,384	7,257,576
Other relevant liabilities	(263,359)	(948,193)
GAV	**591,245,563**	**401,074,553**
Aggregate Group debt	(105,000,000)	(50,000,000)
NAV	**486,245,563**	**351,074,553**
Reconciling items	—	—
Statutory net assets	**486,245,563**	**351,074,553**
Shares in issue	460,715,847	341,243,001
NAV per share (pence)	**105.5**	**102.9**

Investment Manager's Report continued

NAV Sensitivities

NAV is the sum of:

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

less Aggregate Group Debt.

The DCF valuation of the Group's investments represents the largest component of NAV and the key sensitivities are considered to be the discount rate used in the DCF valuation and long term assumptions in relation to energy yield, power prices and inflation.

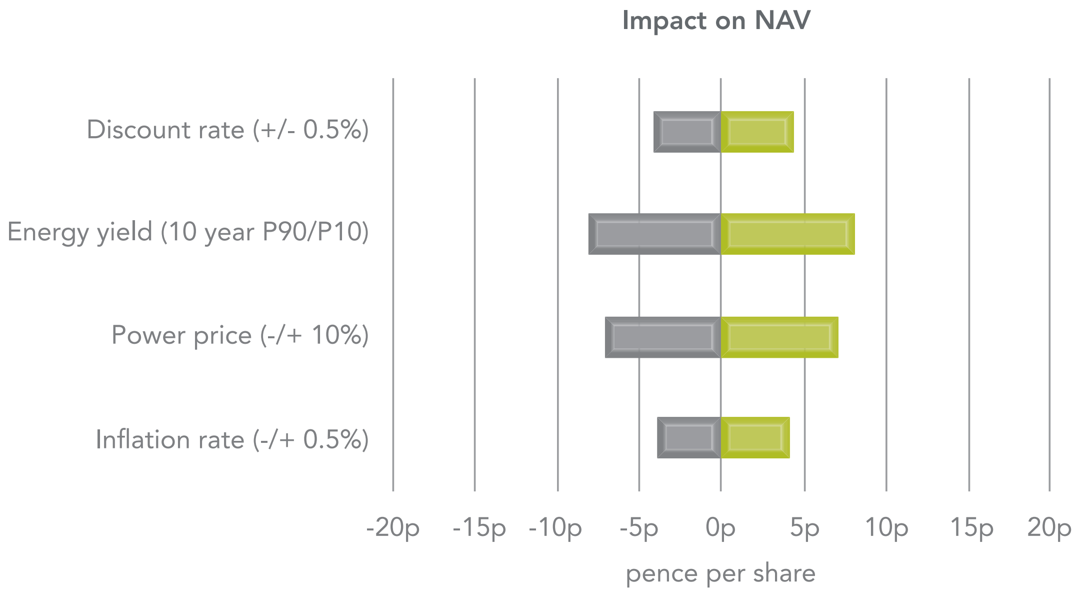
The unlevered discount rate used in the DCF valuation is between 8 and 9 per cent. (equivalent levered discount rate of approximately 11 per cent.[1]). The market discount rate has remained constant since listing. A variance of +/- 0.5 per cent. is considered to be a reasonable range of alternative assumptions for discount rate.

Base case energy yield assumptions are P50 (50 per cent. probability of exceedance) forecasts produced by expert consultants 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. Given their basis on long term operating data, it is not anticipated that base case energy yield assumptions will be adjusted (other than any Wind Energy True-ups with compensating purchase price adjustments).

Long term power price forecasts are provided by a leading market consultant, updated quarterly and adjusted by the Investment Manager where more conservative assumptions are considered appropriate. Base case power prices are forecast to rise by approximately one per cent. per annum in real terms over the life of the wind farms. The sensitivity below assumes a 10 per cent. increase or decrease in power prices relative to the base case for each year of the asset life, which is a severe scenario (typically, short term prices are more volatile while long term prices remain relatively constant).

The base case long term RPI assumption is 2.5 per cent. (0.5 per cent. above the long term 2.0 per cent. CPI target).

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



[1] assumes 30 per cent. gearing and 3 per cent. interest.

Investment Manager's Report continued

Gearing

Currently the Group has £105 million of corporate debt equating to 18 per cent. of GAV and the Group has no project level leverage.

Pipeline

The Investment Manager continues its ongoing process of identifying and executing potential new wind farm acquisitions.

Outlook

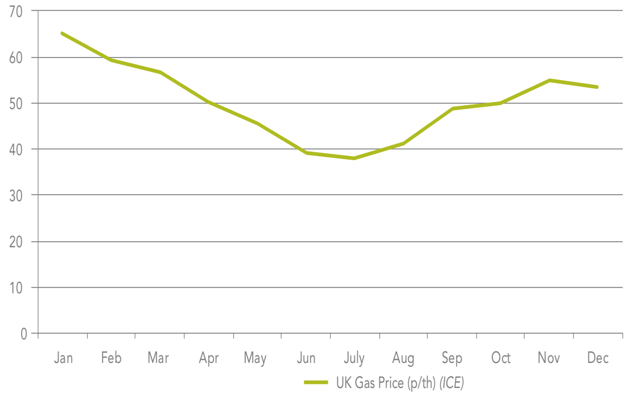
The regulatory outlook for operational wind farms in the UK remains stable. Regulatory risk is considered minimal owing to the UK Government's policy of "grandfathering" for operational projects. Renewable developers on the other hand (predominantly wind and solar) face considerable uncertainty as the Renewable Obligation is replaced by CFDs for new projects (March 2015 in the case of solar >5MW and March 2017 in the case of wind). The general election in May 2015 may bring increased uncertainty for developers.

The secondary market for operational UK wind farms is over £25 billion, increasing to £60 billion of assets in the medium term, being the combined value of those assets currently in operation, in construction or consented. Both utilities and developers are looking to sell such assets to recycle capital into assets in development and construction.

Power prices were weaker than forecast in 2014 owing to lower than forecast gas prices.

As can be seen from the chart, UK gas prices rose during the latter half of the year, while global oil prices were falling. Notwithstanding this and the distinction between spot prices and long term forecasts, long term power price forecasts have fallen over the year. The long term power price forecast is updated each quarter and reflected in the reported NAV.

In general, independent forecasters expect UK wholesale electricity prices to continue to rise in real terms (in the short and long term), based on tighter UK capacity margins in the short term and global energy supply and demand in the long term, together with the ongoing phasing out of coal-fired power stations.



Kildrummy

Board of Directors

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

Tim Ingram, Dan Badger, William Rickett C.B., Shonaid Jemmett Page and Kevin McCullough at Rhyl Flats

Tim Ingram, Chairman (appointed 4 December 2012)

Tim Ingram, aged 67, is an experienced chairman and chief executive, with a long executive career in financial services and a non-executive portfolio spanning a variety of sectors, including business management software and services, real estate, manufacturing, investment trusts and commercial and investment banking.

During Tim's executive career, he was an executive director of Abbey National plc (now part of Santander) and was Chief Executive of Caledonia Investments plc from 2002 until his retirement in July 2010. His recent non-executive roles have included the chairmanships of Collins Stewart Hawkpoint plc and RSM Tenon plc, and non-executive directorships of Sage plc, Savills plc and Alliance Trust plc. He is currently chairman of the European subsidiaries of QBE Insurance Group, Fulham Palace Trust, and the Wealth Management Association. He is a member of the Takeover Panel.

Shonaid Jemmett-Page, Chairman of the Audit Committee (appointed 4 December 2012)

Shonaid Jemmett-Page, FCA, aged 54, is an experienced non-executive director in the energy and financial sectors. She currently holds a number of non-executive director positions and is the audit committee chairman of each of these companies.

Shonaid spent 20 years at KPMG, finishing in 2001 as a Partner in the Financial Services team. She then became a Senior Vice President, Finance and Information at Unilever plc for 7 years and became Chief Operating Officer of CDC Group plc, a private equity fund of funds with net assets of £2.8 billion investing in developing countries until 2012.

Board of Directors continued

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

William Rickett C.B., aged 61, is a former Director General of the Department of Energy & Climate Change within the UK Government with considerable experience as a non-executive director of private sector energy-related companies and consultancies. He was also chairman of the Governing Board of the International Energy Agency from 2007 to 2009.

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.

Dan Badger (appointed 1 July 2013)

Dan Badger, aged 68, has had a long career in the energy sector and has significant experience in wind farm transactions. He is currently a Partner at Hideal Partners, a renewables advisory firm, and was previously a member of the UK/European renewables M&A team at Babcock & Brown. Dan also worked at the US Department of Energy and the International Energy Agency in economic and policy development roles before moving onto project development within the gas-fired generation and then renewables sectors.

Kevin McCullough (appointed 1 July 2013)

Kevin McCullough, aged 49, is an accomplished executive with significant experience in the energy and renewables sectors. He was formerly Chief Operating Officer of RWE Innogy (the dedicated renewable subsidiary of RWE) and latterly Chief Operating Officer of RWE npower where, in addition, he was responsible for Health, Safety and Environment Management. He more recently served as Chief Executive Officer of UK Coal Production Ltd, and is a qualified engineer.

Kevin McCullough resigned as Director of the Company with effect from 31 December 2014.

Martin McAdam (appointed with effect from 1 March 2015)

Martin McAdam, aged 53, has spent the majority of his career in the energy sector most recently as CEO of Aquamarine Power. Prior to that, Martin held a number of senior management positions at Airtricity including President and CEO of the US subsidiary, a role in which he constructed over 400MW of wind farm capacity.

Martin is a non-executive director of Aveillant Ltd, a three-dimensional holographic radar company.

Other UK Public Company Directorships

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

Shonaid Jemmett-Page

GKN plc
APR Energy plc
Amlin plc
Origo Partners plc

William Rickett C.B.

Impax Enviromental Markets plc
Helius Energy plc

The Directors have all offered themselves for re-election and resolutions concerning this and the Directors' remuneration will be proposed at the AGM.

Conflicts of Interest

The Directors have declared any conflicts or potential conflicts of interest to the Board of Directors which has the authority to approve such situations. The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed quarterly by the Board, when changes are notified, and 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.

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 2014. Details of the Directors who held office during the year and as at the date of this report are given on pages 19 and 20.

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, which are set out in the Strategic Report on pages 7 to 9. The financial risk management objectives and policies of the Group and the exposure of the Group 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 Group and individual entity requirements and day-to-day liquidity needs through its cash resources.

As at 31 December 2014, the Group had net current assets of £8.1 million (2013: £6.3 million) and had cash balances of £8.3 million (2013: £7.3 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 the acquisition of new assets, both of which are discretionary. The Group had £105 million (2013: £50 million) of outstanding debt as at 31 December 2014. The Group is expected to continue to comply with the covenants of its banking facilities going forward.

The Directors have reviewed Group forecasts and projections which cover a period of not less than 12 months from the date of this report, taking into account foreseeable changes in investment and trading performance, which show that the Group has sufficient financial resources.

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 the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Capital Structure

The Company has one class of ordinary shares which carries 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 2015 AGM. Special resolution 13 will be proposed at the forthcoming AGM seeking renewal of such authority until the next AGM (or the expiry of 15 months, after the passing of the resolution, if earlier). The price paid for the shares will not be less than the nominal value nor 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 Board'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.

Report of the Directors continued

Major Interests in Shares

As at 31 December 2014, a total of ● shareholders (2013: six) held more than 3 per cent. each of the issued ordinary shares of the Company, accounting for a total amount of ●,●,● shares (2013: 121,893,895) or ●.● per cent. (2013: 35.7 per cent.) of the issued share capital. Significant shareholdings as at ● February 2015 are detailed below.

Shareholder	Ordinary shares currently held %
Sarasin & Partners LLC	5.81
Investec Wealth & Investment	5.32
Baillie Gifford & Co Limited	4.94
Aberdeen Asset Management Limited	4.43
Fidelity Worldwide Investment	4.38
Aviva Investors	3.43
Bestinvest	3.19

Companies Act 2006 Disclosures

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

- the Company's capital structure is detailed in note 15 to the financial statements and all shareholders have the same voting rights in respect of the share capital of the Company. There are no restrictions on voting rights that the Company is aware of, nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- the Company does not have an employees' share scheme;
- the rules concerning the appointment and replacement of Directors are contained in the Company's Articles of Association and the Companies Act 2006;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid; and
- 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.

Alternative Investment Fund Managers Directive

The AIFMD has been implemented in the UK through the Alternative Investment Fund Managers Regulations 2013 (as amended). For the purposes of these regulations the Company is a UK AIF and the Investment Manager is a full scope UK AIFM.

Heritage Depositary Company (UK) Limited has been appointed as Depositary to provide cash monitoring, safekeeping and asset verification and oversight functions as prescribed by the AIFMD.

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 aims to distribute 100 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.

Gender Diversity and Business Review

A business review and the Group's policy on gender diversity are detailed in the Strategic Report on pages 6 and 7.

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.

Report of the Directors continued

Global Greenhouse Gas Emissions

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

In relation to the Group's investee companies, the level of greenhouse gas emissions arising from the low volume of electricity imports and from operation and maintenance activity is not considered material for disclosure purposes. Further, as the assets are renewable energy generators, they reduce carbon dioxide emissions on a net basis (at a rate of approximately 450g CO2 per kWh assuming the displacement of CCGT generation).

Risks and Risk Management

The principal risks and uncertainties of the Group are detailed in the Strategic Report on pages 7 to 9. 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 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 Directors are of the opinion that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the performance, strategy and business model of the Company.

The Directors recommend that the annual report, the Report of the Directors and the Auditor's Report for the year ended 31 December 2014 are received and adopted by the shareholders and a resolution concerning this will be proposed at the AGM.

Subsequent Events

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

By order of the Board

Tim Ingram
Chairman

22 February 2015

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 Company and Groups (Accounts and Reports) regulations 2008. The Remuneration Policy will be subject to the approval of the members at the forthcoming AGM and will be binding on the Company. The binding vote will be held annually unless the Company chooses to leave its remuneration policy unchanged, in which case it will be held every three years.

The Company's independent Auditor is required to give its opinion on the information provided on Directors' remuneration on page 25 of this report and this is explained further in its report to shareholders on pages 35 to 38. 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 19 and 20, 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.

Remuneration Policy

As at the date of this report, the Board comprised four Directors, all of whom are non-executive. The Board does not have a separate Remuneration Committee as the Company has no employees, other than the non-executive Directors.

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 total remuneration of non-executive Directors has not exceeded the £300,000 per annum limit set out in the Articles of Association 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.

All of the Directors have been provided with letters of appointment which stipulate that their initial term shall be for three years, subject to re-election. 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 three years thereafter. In accordance with corporate governance best practice the Company expects Directors to be re-elected annually. 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.

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

The Company's remuneration policy has applied from incorporation on 4 December 2012, and the Directors do not envisage any changes to the remuneration policy in the next accounting period.

Directors' Remuneration Report continued

Annual Report on Remuneration (audited information)

The table below shows all remuneration earned by each individual Director during the year:

	Date of appointment	Paid in the year to 31 December 2014	Paid from appointment to 31 December 2013
Tim Ingram (Chairman)	4 December 2012	£70,000	£70,000
Shonaid Jemmett-Page (Audit Committee Chairman)	4 December 2012	£30,000	£30,000
William Rickett C.B. (Senior Independent Director)	4 December 2012	£25,000	£25,000
Dan Badger	1 July 2013	£25,000	£12,500
Kevin McCullough	1 July 2013	£25,000	£12,500
Total		**£175,000**	**£150,000**

None of the Directors received any other remuneration or additional discretionary payments during the year from the Company (2013: £nil). As at 31 December 2014, the unexpired term of all of the Directors was greater than one year.

Relative Importance of Spend on Pay

The remuneration of the Directors in relation to the year totalled £175,000 (2013: £150,000) in comparison to dividends paid to shareholders in relation to the year of £24,795,616 (2013: £14,150,507).

Directors' Interests

Directors who held office during the year and had interests in the shares of the Company as at 31 December 2014 are given in the table below. There were no changes to the interests of each Director as at the date of this report. All new Shares allotted to the Directors under the capital raise in October 2014 are subject to a lock up restriction of one year:

	Ordinary shares of 1p each held at 31 December 2014	Ordinary shares of 1p each held at 31 December 2013
Tim Ingram[(1)]	188,678	160,706
Shonaid Jemmett-Page[(2)]	23,060	22,300
William Rickett C.B.[(3)]	37,500	37,500
Kevin McCullough	10,000	–
Dan Badger[(4)]	23,080	22,478

(1) includes 14,018 ordinary shares legally and beneficially owned by his spouse, 150,000 ordinary shares which are held in trust arrangements with Lloyd's of London in respect of security for certain underwriting activities. The 27,942 increase in shareholding all relates to new shares issued in October 2014.

(2) includes 11,200 ordinary shares legally and beneficially owned by her spouse.

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

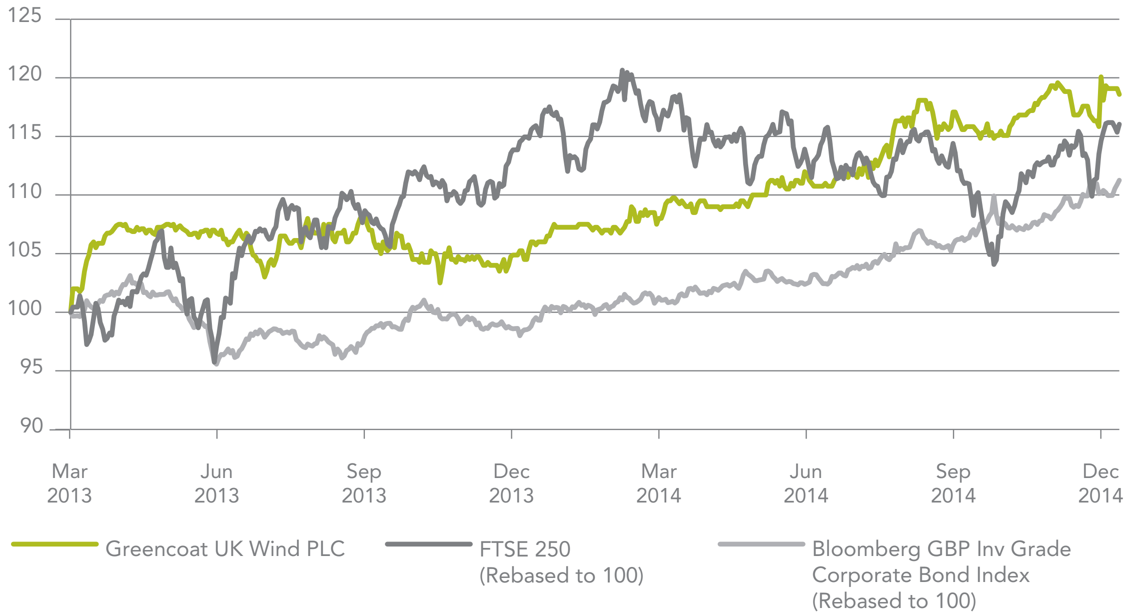
(4) includes 11,520 ordinary shares legally and beneficially owned by his spouse.

Directors' Remuneration Report continued

Company Performance

Due to the positioning of the Company in the market as a sector-focused infrastructure fund investing in operating UK wind farms to produce stable and inflating dividends for investors whilst aiming to preserve capital value, the Directors consider that a listed infrastructure fund has characteristics of both an equity index and a bond index. The graph below shows the total shareholder return of the Company compared to the FTSE 250 index and the Bloomberg GBP Investment Grade Corporate Bond Index:

Total Shareholder Return vs Equity and Bond Indices



As the Company listed on 27 March 2013, historical data for the past five years is not yet available.

On behalf of the Board,

Tim Ingram
Chairman

22 February 2015

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

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' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The Directors confirm to the best of their knowledge that:

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

On behalf of the Board,

Tim Ingram
Chairman

22 February 2015

Corporate Governance

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 issued by the FRC in their annual report and financial statements.

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

The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the Corporate Governance 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 Board considers that reporting against the principles and recommendations of the AIC Code, by reference to the AIC Guide, provides better information to Shareholders.

The AIC Code and the AIC Guide are available on the AIC's website, www.theaic.co.uk. The Corporate Governance Code is available on the Financial Reporting Council's website, www.frc.org.uk.

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

The FRC has issued a new version of the UK Code which is effective for reporting periods beginning on or after 1 October 2014 and available for early adoption. The Board is of the belief that the Company has the relevant systems and controls in place to comply with the updated requirements but has chosen not to early adopt the revised version of the UK Code.

The Board

As at the date of this report, the Board consists of four non-executive Directors, all of whom 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. Directors' details are contained in pages 19 and 20 which sets out the range of investment, financial and business skills and experience represented. Board appointments have been based on merit, against objective criteria, and with due regard for the benefits of diversity, including gender diversity.

The Chairman of the Board is Tim Ingram. In considering the independence of the Chairman, the Board took note of the provisions of the AIC Code relating to independence, and has determined that Mr Ingram is an Independent Director. The Board has appointed William Rickett C.B. as the Senior Independent Director. 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 Annual General Meeting after their appointment and at least every three years thereafter. In accordance with corporate governance best practice the Company expects Directors to be re-elected annually, therefore the Board considers that it is not appropriate for the Directors to be appointed for a specified term as recommended by Principle 3 of the AIC Code. All of the Directors shall therefore 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 all of the Directors.

Any Director, who has held office with the Company, for a continuous period of nine years or more at the date of the AGM, shall retire from office and may offer themselves for re-appointment. This will allow for phased Board appointments and retirements and enable the Board to consider whether there is any risk that such Director might reasonably be deemed to have lost independence through such long service.

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

Performance and Evaluation

Pursuant to Principle 7 of the AIC Code that requires a formal and rigorous annual evaluation of its performance, the Board formally reviewed its performance for this financial year through an internal appraisal process. Internal evaluation of the Board, the Audit Committee, and individual Directors has taken the form of performance appraisal questionnaires and discussion to determine effectiveness and performance in various areas as well as the Directors' continued independence. The results have been collated and reviewed and the conclusions were that the overall performance of the Board and the Audit Committee during the year had been satisfactory and that the Board was confident in its ability to continue to lead the Company and oversee its affairs.

New Directors receive an induction from the Investment Manager, and all Directors receive other relevant training as necessary.

Corporate Governance continued

Board Responsibilities

The Board will meet, on average, four times in each calendar year 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, in a timely manner, with information by the Investment Manager, the Administrator and other advisers in a form and of a quality 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 half-yearly and other price-sensitive public reports.

Committees of the Board

The Company's Audit Committee is chaired by Shonaid Jemmett-Page, and consists of a minimum of three members. In accordance with best practice, the Company's Chairman is not a member of the Audit Committee however he does attend Audit Committee meetings as and when deemed appropriate. The Audit Committee report which is on pages 31 to 34 of this report describes the work of this committee.

The AIC Code recommends that companies appoint Remuneration and Nomination Committees, 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 an Investment Management Agreement with the Investment Manager under which the Investment Manager is responsible for developing strategy and the day-to-day management of the Group's investment portfolio, in accordance with the Group's investment objective and policy, subject to the overall supervision of the Board. Strategy is agreed jointly by the Board and the Investment Manager. 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, such notice not to expire earlier than five years following 27 March 2013. 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 fulfils the functions of a Management Engagement Committee and reviewed the actions and judgements of the Investment Manager in relation to the half yearly and annual financial statements and the Company's compliance with the UK Corporate Governance Code, the Listing Rules, the Disclosure and Transparency Rules and the AIC Code. It reviewed the terms of the Investment Management Agreement and monitored the performance of the Investment Manager during the year. 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 and the Audit committee attended in the year to 31 December 2014 by each Director is set out below:

	Scheduled Board Meetings (Total of 4)	Other Board Meetings (Total of 11)	Audit Committee Meetings (Total of 4)
Tim Ingram	4	11	n/a
Shonaid Jemmett-Page	4	8	4
William Rickett C.B.	4	7	4
Kevin McCullough	3	6	2
Dan Badger	4	7	n/a

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 continued

Internal Control continued

The Company's principal risks and uncertainties are further discussed on pages 7 to 9 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 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 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 principal features of the internal control systems which the Investment Manager and the Administrator have in place in respect of the Group's financial reporting include:

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

Whistleblowing

The Board has considered the AIC Code recommendations in respect of arrangements by which staff of the Investment Manager or Company Secretary 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).

Relations with Shareholders

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. Senior members of the Investment Manager make themselves 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 the registered address. The Annual General Meeting of the Company will provide a forum for shareholders to meet and discuss issues with the Directors and Investment Manager.

The Board receives comprehensive shareholder reports from the Company's Registrar at all quarterly Board meetings 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.

Shareholders may also find Company information or contact the Company through its website: www.greencoat-ukwind.com.

On behalf of the Board

Tim Ingram
Chairman of the Board

22 February 2015

Audit Committee Report

During the year, the Audit Committee comprised Shonaid Jemmett-Page (Chairman), William Rickett C.B. and Kevin McCullough. As disclosed on page 20, with effect from 31 December 2014, Kevin McCullough resigned from his position as Director of the Company and Dan Badger was appointed as a member of the Audit Committee with effect from 3 December 2014. The FRC has a requirement that at least one member of the Committee should have recent and relevant financial experience and the Board is satisfied that the Committee is properly constituted in that respect. The qualifications and experience of all Committee members are disclosed on pages 19 to 20 of this report.

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

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 half-yearly 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. The Committee is responsible for reviewing the terms of appointment of the Auditor, together with their remuneration. On an ongoing basis, the 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. The 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 Committee's discussions have been broad ranging. In addition to the six formally convened Audit Committee meetings from 1 January 2014 to the date of this report, the Committee has had regular contact and meetings with the Investment Manager, the Administrator and the Auditor. These meetings and discussions focussed on but were not limited to:

- reviewing the updated risk matrix of the Company;
- reviewing the Company's corporate governance framework;
- reviewing the Company's ongoing internal controls;
- considering the ongoing assessment of the Company as a going concern;
- monitoring the ongoing appropriateness of the Company's status as an investment entity under IFRS 10, in particular following an acquisition;
- reviewing and approving the audit plan in relation to the audit of the Company's annual report and financial statements;
- monitoring compliance with and updating 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.

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-yearly 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;
- whether the Committee believes that proper and appropriate processes and procedures have been followed in the preparation of the half-yearly report and annual report and financial statements;

Audit Committee Report continued

Financial Reporting continued

- consideration and recommending to the Board for approval the contents of the annual financial statements and reviewing the Auditors' report thereon including consideration of whether the financial statements are overall fair, balanced and understandable;
- consideration of non-audit services provided by the Auditor;
- 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 our financial reporting.

BDO LLP attended three of the six formal Audit Committee meetings held during the period from 1 January 2014 to the date of this report. The 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 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 Committee discussed and approved the Auditor's audit plan in which they identified the significant issues as detailed below as the key areas of risk of misstatement in the Company's financial statements.

Assessment of the Carrying Value of Investments

The Group's accounting policy is to designate investments at fair value through profit or loss. Therefore the most significant risk in the Group's accounts 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 is responsible for calculating the NAV in conjunction with the Administrator and, as disclosed in note 3 to the financial statements, the Investment Manager's fee is calculated based on the NAV of the Group.

The Committee has satisfied itself that the key estimates and assumptions used in the valuation model which are disclosed in note 2 to the financial statements are appropriate. The Investment Manager provides the Board with a monthly report on the performance of each investment and a formal presentation explaining assumptions used in the preparation, and explaining the movement in each quarterly valuation. The Investment Manager has provided and discussed with the Committee a formal valuation policy documenting, amongst other things, the rationale for adopting the discount rates used in the valuation model. The Committee concluded that the valuation process had been properly carried out and that the investments have been fairly valued.

Income Recognition

Auditing standards require the Auditor to consider fraudulent income recognition as a significant audit risk in all entities. The Group's income is a key factor in demonstrating the performance of the portfolio and is a driver of dividend returns and consists of dividends from the underlying investments. The Committee does not consider income recognition to be a high risk area for the Group. The Board is advised at quarterly meetings of cash balances of all Group and investee companies.

Continued Adoption of the IFRS 10 Investment Entity Exemption

In the prior period, the Committee agreed that the Company satisfied the criteria as set out in the amendments to IFRS 10 to be regarded as an investment entity. During the year, the Committee monitored the on-going appropriateness of this accounting policy particularly following any investment activity and in light of clarification issued by the IASB on the Investment Entities standard and concluded that the Company continues to meet the definition of an investment entity.

Audit Committee Report continued

External Auditor

Effectiveness of the Audit Process

The 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 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 Committee also sought feedback from the Investment Manager and the Administrator on the effectiveness of the audit process. For this financial year, the Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good.

Non-Audit Services

Details of fees paid to BDO LLP during the year are disclosed in note 5 to the financial statements. The 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 Committee seeks to ensure that any non-audit services provided by the external auditor do not conflict with their statutory and regulatory responsibilities before giving written approval prior to their engagement. The Committee was satisfied that BDO LLP had adequate safeguards in place and that provision of these non-audit services did not threaten the independence of the Auditor.

During the year the Committee revised its policy regarding the provision of non-audit services by the external auditor in light of the EU directive No 537/2014 which will introduce a cap on fees to be charged by the external auditor for non-audit services from 17 June 2016 at 70 per cent. of the average of the statutory audit fee for the previous three years.

The policy precludes the external auditor from providing any of the prohibited non-audit services as listed in Article 5 of the Directive. The Committee monitors expenditure on non-audit services by the Company's auditor with regard to the cap, and the external auditor should only be engaged for non-audit services where they are deemed to be the most commercially viable supplier and prior approval of the Committee has been sought.

Independence

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

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

Re-appointment

The Committee has considered the re-appointment of the Auditor and decided not to put the provision of the external audit out to tender at this time. As described above, the Committee reviewed the effectiveness and independence of the Auditor and remain satisfied that they provide effective independent challenge to the Board, the Investment Manager and the Administrator. The 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 Committee has therefore recommended to the Board that BDO LLP be proposed for re-appointment as the Company's Auditor at the Annual General Meeting of the Company.

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 five years therefore the lead partner will rotate after the completion of the 2017 year end audit.

Internal Control

The Audit Committee keeps under review the effectiveness of the Company's internal control policies and procedures for the identification, assessment and reporting of risks. The Committee has established a set of on-going processes designed to meet the particular needs of the Company in managing the risks to which it is exposed.

Audit Committee Report continued

Internal Control continued

The process is one whereby the Investment Manager has identified the significant risks to which the Company is exposed, and recorded them on a risk matrix together with the controls employed to mitigate these risks. A residual risk rating has been applied to each risk. The Committee is responsible for reviewing the risk matrix before recommending to the Board for consideration and approval, challenging the Investment Manager's assumptions to ensure a robust internal risk management process.

The Committee formally reviewed the updated risk matrix during the year and will continue to do so on an annual basis. By their nature, these procedures provide a reasonable, but not absolute, assurance against material misstatement or loss. Regular reports will be provided to the Committee highlighting material changes to risk ratings.

Internal Audit

The Audit Committee has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Administrator and Investment Manager, including their own internal controls and procedures, provide sufficient assurance that an appropriate level of risk management and internal control, which safeguards Shareholders' investment and the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Annual General Meeting

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

Shonaid Jemmett-Page
Chairman of the Audit Committee

22 February 2015

Independent Auditor's Report

To the members of Greencoat UK Wind PLC

Our opinion

In our opinion the Greencoat UK Wind PLC financial statements for the year ended 31 December 2014, which have been prepared by the Directors in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006:

- give a true and fair view of the state of the Group's and the parent company's affairs as at 31 December 2014 and of the Group's and the parent company's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

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

What our opinion covers

Our audit opinion covers the:

- consolidated Statement of Comprehensive Income
- consolidated and parent company Statements of Financial Position
- consolidated and parent company Statement of Changes in Equity
- consolidated and parent company Statements of Cash Flows
- related notes

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's (FRC) website at www.frc.org.uk/auditscopeukprivate

The Group audit team have responsibility for the audit of all components included in the consolidated financial statements.

Independent Auditor's Report continued

Our approach

Our approach was developed by obtaining an understanding of the Company's activities, the key functions undertaken on behalf of the Board by the Investment Manager and Administrator and the overall control environment. Based on this understanding, we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement. Below are this risks which we considered to have the greatest impact on our audit strategy and our audit response.

Risk area	Reason	Audit response
Fair value of investments	This is a key accounting estimate where there is an inherent risk of management override arising from the investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the fund, derived using those valuations.	The valuations are based on a discounted cash flow model and, for all investments held, our audit procedures included: • reviewing and challenging the assumptions inherent in the valuation of unquoted investments; • assessing the impact of estimation uncertainty concerning these assumptions and the completeness of associated disclosures in the financial statements; • testing the integrity of the valuation model, comparing assumptions on forecast wind generation and electricity prices to independent reports and reviewing cost assumptions based on actual costs incurred; • assessing the appropriateness of the discount rates applied in the model with reference to recent market data for comparable assets; and • developing our own point estimate where alternative assumptions could reasonably be applied and considered the overall impact of such sensitisations on the portfolio of investments in determining whether the valuations as a whole are reasonable and unbiased.
Income recognition	Income consists of dividends receivable from investee companies and interest earned on cash balances. Income recognition is considered to be a significant audit risk as it is the key driver of dividend returns to investors.	• We considered the design and implementation of controls relating to income recognition and undertook testing of dividend income by comparing actual income to expectations generated. • We considered whether the accounting policy had been applied correctly by management in determining provisions against income where recovery is considered doubtful, considering management information relevant to the ability of the investee company to service the loan and the reasons for any arrears of loan interest. • We also reviewed the recognition and classification of any accrued income. • We also tested dividends receivable to cash received, as well as to supporting documentation and management accounts of the investee companies and, where appropriate, independent confirmation from the investee companies.
Continuing adoption of IFRS 10 Investment entity exemption	The assessment of whether the Company continues to meet the definition of an investment entity under IFRS 10 is highly judgemental and should be reconsidered at each reporting date.	• We considered and challenged management's rationale for assessing that the Company met the definition of an investment entity based on recent amendments to IFRS 10, through the review of relevant agreements, discussions with the Investment Manager, the Administrator and the Board and a review of comparative treatment in other relevant funds. • We considered the adequacy of disclosures in the financial statements regarding non-consolidated subsidiaries.

The Audit Committee's consideration of these key issues is set out on pages 31 to 34.

Independent Auditor's Report continued

Respective responsibilities of Directors and Auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the FRC's Ethical Standards for Auditors.

Materiality in context

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. For planning, 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. The application of these key considerations gives rise to two levels of materiality, the quantum and purpose of which are tabulated below.

Materiality measure	Purpose	Key considerations and benchmarks	Quantum (£)
Financial statement materiality	Assessing whether the financial statements as a whole present a true and fair view	• The value of net assets • The level of judgement inherent in the valuation • The range of reasonable alternative valuation	7,300,000
Specific materiality – classes of transactions and balances which impact on net realised returns	Assessing those classes of transactions, balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	• Level of total return excluding unrealised valuation movements • Other KPIs	2,800,000

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £140,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- 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 information given in the Corporate Governance Statement set out on pages 28 to 30 of the annual report with respect to internal control and risk management systems in relation to financial reporting processes and about share capital structures is consistent with the financial statements.

Independent Auditor's Report continued

Matters on which we are required to report by exception

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required 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 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; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 27, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of these matters.

BDO LLP

Rhodri Whitlock (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

● February 2015

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 2014

	Note	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Return on investments	4	41,825,499	26,779,158
Other income		306,756	96,531
Total income and gains		**42,132,255**	**26,875,689**
Operating expenses	5	(5,689,843)	(3,461,711)
Investment acquisition costs		(756,729)	(2,889,441)
Operating profit		**35,685,683**	**20,524,537**
Finance expense	13	(5,239,292)	(2,327,748)
Profit for the year/period before tax		**30,446,391**	**18,196,789**
Tax expense	6	—	—
Profit for the year/period after tax		**30,446,391**	**18,196,789**
Profit and total comprehensive income attributable to:			
Equity holders of the Company		**30,446,391**	**18,196,789**
Earnings per share			
Basic and diluted profit from continuing operations in the year/period (pence)	7	**8.38**	**6.89**

All results are derived from continuing operations.

The accompanying notes on pages 45 to 67 form an integral part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	31 December 2014 £	31 December 2013 £
Non current assets			
Investments at fair value through profit or loss	9	583,188,538	394,765,170
		583,188,538	**394,765,170**
Current assets			
Receivables	11	1,409,033	242,057
Cash and cash equivalents		8,320,384	7,257,576
		9,729,417	**7,499,633**
Current liabilities			
Payables	12	(1,672,392)	(1,190,250)
Net current assets		**8,057,025**	**6,309,383**
Non current liabilities			
Loans and borrowings	13	(105,000,000)	(50,000,000)
Net assets		**486,245,563**	**351,074,553**
Capital and reserves			
Called up share capital	15	4,607,158	3,412,430
Share premium account	15	205,022,575	80,654,271
Other distributable reserves		227,972,650	248,811,063
Retained earnings		48,643,180	18,196,789
Total shareholders' funds		**486,245,563**	**351,074,553**
Net assets per share (pence)	16	**105.5**	**102.9**

Authorised for issue by the Board on 22 February 2015 and signed on its behalf by:

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 45 to 67 form an integral part of the financial statements.

Statement of Financial Position – Company

As at 31 December 2014

	Note	31 December 2014 £	31 December 2013 £
Non current assets			
Investments at fair value through profit or loss	9	486,848,546	351,453,781
		486,848,546	**351,453,781**
Current assets			
Receivables	11	1,072,433	1,003,541
Cash and cash equivalents		55,552	1,784
		1,127,985	**1,005,325**
Current liabilities			
Payables	12	(1,730,968)	(1,384,553)
Net current assets		**(602,983)**	**(379,228)**
Net assets		**486,245,563**	**351,074,553**
Capital and reserves			
Called up share capital	15	4,607,158	3,412,430
Share premium account	15	205,022,575	80,654,271
Other distributable reserves		227,972,650	248,811,063
Retained earnings		48,643,180	18,196,789
Total Shareholders' funds		**486,245,563**	**351,074,553**
Net assets per share (pence)	16	**105.5**	**102.9**

Authorised for issue by the Board on 22 February 2015 and signed on its behalf by:

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 45 to 67 form an integral part of the financial statements.

Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2014

For the year ended 31 December 2014	Note	Share capital £	Share premium £	Other distributable reserves £	Retained earnings £	Total £
Opening net assets attributable to shareholders (1 January 2014)		3,412,430	80,654,271	248,811,063	18,196,789	**351,074,553**
Issue of share capital	15	1,194,728	126,534,582	—	—	**127,729,310**
Share issue costs	15	—	(2,166,278)	—	—	**(2,166,278)**
Profit and total comprehensive income for the year		—	—	—	30,446,391	**30,446,391**
Interim dividends paid in the year	8	—	—	(20,838,413)	—	**(20,838,413)**
Closing net assets attributable to shareholders		**4,607,158**	**205,022,575**	**227,972,650**	**48,643,180**	**486,245,563**

After taking account of cumulative unrealised gains of £25,941,397, the total reserves distributable by way of a dividend as at 31 December 2014 were £250,674,433.

For the period 4 December 2012 to 31 December 2013	Note	Share capital £	Share premium £	Other distributable reserves £	Retained earnings £	Total £
Opening net assets attributable to shareholders		—	—	—	—	**—**
Issue of share capital	15	3,412,430	339,853,234	—	—	**343,265,664**
Share issue costs	15	—	(6,483,889)	—	—	**(6,483,889)**
Cancellation of share premium account	15	—	(252,715,074)	252,715,074	—	**—**
Profit and total comprehensive income for the period		—	—	—	18,196,789	**18,196,789**
Dividends paid in the period	8	—	—	(3,904,011)	—	**(3,904,011)**
Closing net assets attributable to shareholders		**3,412,430**	**80,654,271**	**248,811,063**	**18,196,789**	**351,074,553**

After taking account of cumulative unrealised gains of £24,771,298, the total reserves distributable by way of a dividend as at 31 December 2013 were £242,236,554.

The accompanying notes on pages 45 to 67 form an integral part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Note	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Net cash flow from operating activities	17	**35,159,662**	**5,836,995**
Cash flow from investing activities			
Acquisition of investments	9	(187,253,269)	(383,855,029)
Investment acquisition costs		(866,905)	(2,779,265)
Repayment of Shareholder loans		—	7,149,544
Net cash flow from investing activities		**(188,120,174)**	**(379,484,750)**
Cash flows from financing activities			
Issue of share capital	15	127,050,000	343,000,000
Payment of issue costs		(2,417,077)	(5,912,644)
Drawdown on acquisition loan facility	13	183,000,000	130,000,000
Repayment of acquisition loan facility	13	(128,000,000)	(80,000,000)
Finance expense		(4,771,190)	(2,278,014)
Dividends paid	8	(20,838,413)	(3,904,011)
Net cash inflow from financing activities		**154,023,320**	**380,905,331**
Net increase in cash and cash equivalents during the year/period		**1,062,808**	**7,257,576**
Cash and cash equivalents at the beginning of the year/period		**7,257,576**	**—**
Cash and cash equivalents at the end of the year/period		**8,320,384**	**7,257,576**

The accompanying notes on pages 45 to 67 form an integral part of the financial statements.

Statement of Cash Flows – Company

For the year ended 31 December 2014

	Note	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Net cash flow from operating activities	17	**21,142,979**	**2,952,579**
Cash flow from investing activities			
Loans advanced to Group companies	9	(124,883,721)	(336,134,140)
Net cash flow from investing activities		**(124,883,721)**	**(336,134,140)**
Cash flows from financing activities			
Issue of share capital		127,050,000	343,000,000
Payment of issue costs		(2,417,077)	(5,912,644)
Dividends paid	8	(20,838,413)	(3,904,011)
Net cash inflow from financing activities		**103,794,510**	**333,183,345**
Net increase in cash and cash equivalents during the year/period		**53,768**	**1,784**
Cash and cash equivalents at the beginning of the year/period		**1,784**	**—**
Cash and cash equivalents at the end of the year/period		**55,552**	**1,784**

The accompanying notes on pages 45 to 67 form an integral part of the financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

1. Significant accounting policies

Basis of accounting

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

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

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 £30,446,391 (2013: £18,196,789.)

The Company was formed on 4 December 2012, so comparative information in the financial statements covers the period from 4 December 2012 to 31 December 2013, but during that period the meaningful activities of the Company took place from the Company's listing on the London Stock Exchange on 27 March 2013 to 31 December 2013.

Adoption of new and revised standards

The Group adopted IFRS 13 "Fair Value Measurement" during the year, which provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group does not consider that the definition of fair value that is applied in IFRS 13 differs from its current approach and consequently, there is no impact from this standard on its financial position. However, IFRS 13 does expand the disclosure requirements in respect of fair value measurement, therefore these financial statements contain additional disclosures in note 9 regarding quantitative information on the unobservable inputs to level 3 investments.

The Group also adopted the amendments to IAS 32 "Financial Instruments: Presentation", IAS 36 "Impairment of Assets" and IAS 39 "Financial Instruments: Recognition and Measurement" with effect from 1 January 2014. These had no impact on the results and presentation of the Group's financial statements.

New and amended standards and interpretations not applied

At the date of authorisation of these financial statements, IFRS 9 "Financial Instruments" was issued but will not become effective until accounting periods beginning on or after 1 January 2018 and has not been applied in these financial statements.

Other accounting standards have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2015 or later periods, however the impact of these standards is not expected to be material to the reported results and financial position of the Group.

Accounting for subsidiaries

The Directors have concluded that the Company continues to satisfy the criteria to be regarded as an investment entity as defined in the amendments to IFRS 10, IFRS 12 and IAS 27 and measures its subsidiaries at fair value through profit or loss, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement" instead of consolidating those subsidiaries.

The financial support provided by the Company to its unconsolidated subsidiaries is disclosed in note 10 to the financial statements.

Notwithstanding this, the amendments to IFRS 10 require 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, Greencoat UK Wind 1 LLP and Greencoat UK Wind Holdco Limited. 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

1. Significant accounting policies continued

Accounting for associates and joint ventures

The Company has taken the exemption permitted by IAS 28 "Investments in Associates and Joint Ventures" and IFRS 11 "Joint Arrangements" and upon initial recognition, will measure its investment in Associates and Joint Ventures at fair value, with subsequent changes to fair value recognised in the Income Statement in the period of change.

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. Financial assets and financial liabilities are only offset and the net amount reported in the Consolidated Statement of Financial Position when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

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 trade date, being the date on which the Group became party to the contractual requirements of the financial asset.

The Group has not classified any of its financial assets as Held to Maturity or as Available for Sale.

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

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise trade and other receivables and they are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment. Transaction costs are recognised in the Consolidated Statement of Comprehensive Income as incurred.

The Company assesses whether there is any objective evidence that financial assets are impaired at the end of each reporting period. If any such evidence exists, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the loss is recognised in profit or loss.

Investments held at fair value through profit or loss

Investments are designated upon initial recognition as held at Fair Value through Profit or Loss. Financial assets are recognised/derecognised at the trade 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. Thereafter, investments are measured at subsequent reporting dates at fair value in accordance with IFRS.

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 IAS 39. Gains or losses resulting from the revaluation of investments are recognised in the Consolidated Statement of Comprehensive Income.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

1. Significant accounting policies continued

***Financial assets** continued*

Derecognition of financial assets

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

- when the Group has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. All financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Due to their short term nature, unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

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. The loan balance as at the year end has not been discounted to reflect amortised cost, as this amount is not materially different from the outstanding balance.

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 equity 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 three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

1. Significant accounting policies continued

Foreign currencies

These consolidated financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

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

Interest income is accounted for on an accruals basis using the effective interest rate method. Dividend income is recognised when the Group entitlement to receive payment is established.

Expenses

Expenses are accounted for on an accruals basis. Formation fees are those necessary for the establishment of the Company and are taken to the Statement of Comprehensive Income in the period in which they are incurred. 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.

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 nor 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

1. Significant accounting policies continued

Segmental reporting

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

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

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

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

2. Critical accounting judgements, estimates and assumptions

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

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.

As disclosed in note 9, 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 factors, the level of wind resource, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce.

Useful lives are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness. The standard assumption used for the useful life of a wind farm is 25 years, however this assumption may be shorter in some instances as determined by lease or other contractual arrangements. The actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

The discount factors are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value. The discount factors applied to the 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 factors used.

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

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

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

3. Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a combination of a Base Fee and an Equity Element from the Company and a priority profit share from the LLP as set out below.

The Base Fee is paid quarterly in advance and is equal to £275,000 per quarter.

The Equity Element due to the Investment Manager 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, 0.25 x 0.2 per cent.; and
- on that part of the then most recently announced NAV over £500 million up to and including £1,000 million, 0.25 x 0.1 per cent.

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

The priority profit share payable from the LLP is paid quarterly in advance, in each case 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,

in each case less an amount equivalent to the quarterly Base Fee.

Investment management fees and priority profit share paid or accrued in the year were as follows:

	Base fee £	Value of Equity Element £	Total management fee paid £	Priority profit share £	Total amounts paid to the Investment Manager £
Quarter to March 2014	275,000	176,122	**451,122**	605,609	**1,056,731**
Quarter to June 2014	275,000	181,719	**456,719**	633,597	**1,090,316**
Quarter to September 2014	275,000	180,166	**455,166**	625,830	**1,080,996**
Quarter to December 2014	275,000	223,767	**498,767**	843,834	**1,342,601**
Total	**1,100,000**	**761,774**	**1,861,774**	**2,708,870**	**4,570,644**

Investment management fees and priority profit share paid or accrued in the period from 4 December 2012 to 31 December 2013 were as follows:

	Base fee £	Value of Equity Element £	Total management fee paid £	Priority profit share £	Total amounts paid to the Investment Manager £
27 March 2013 to 31 March 2013	15,277	7,078	**22,355**	20,111	**42,466**
Quarter to June 2013	275,000	131,188	**406,188**	380,941	**787,129**
Quarter to September 2013	275,000	131,921	**406,921**	384,604	**791,525**
Quarter to December 2013	275,000	141,056	**416,056**	430,280	**846,336**
Total	**840,277**	**411,243**	**1,251,520**	**1,215,936**	**2,467,456**

The value of the equity element and the priority profit share detailed in the tables above include the true-up amount for the period calculated in accordance with the Investment Management Agreement.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

4. Return on investments

	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Dividends received (note 19)	40,655,400	7,900,149
Movement in fair value of investments (note 9)	1,170,099	24,771,298
Shareholder loan interest received	—	819,324
Amounts written off in respect of loan to Braes of Doune that was dissolved in the period (note 9)	—	(6,711,613)
	41,825,499	**26,779,158**

5. Operating expenses

	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Management fees (note 3)	1,861,774	1,251,520
Priority profit share (note 3)	2,708,870	1,215,936
Group and SPV administration fees	361,049	199,020
Non-executive Directors' fees	175,000	150,000
Other expenses	486,213	242,279
Formation fees	—	302,278
Fees to the Company's Auditor:		
for audit of the 31 December 2014 statutory financial statements	65,000	—
for audit of the 31 December 2013 statutory financial statements	14,324	44,400
for tax compliance services	14,113	32,350
for other audit related services	3,500	—
for audit related services pursuant to legislation	—	23,928
	5,689,843	**3,461,711**

BDO LLP was paid £50,000 during the year in relation to the October 2014 capital raise of the Company which is included in share issue costs. In the prior period and prior to the merger of PKF LLP with BDO LLP, PKF LLP was paid £95,000 in relation to work on the listing of the Company and BDO LLP was paid £74,794 in relation to work on the second capital raise of the Company, both of which were included in share issue costs.

BDO LLP were paid £Nil (2013: £21,250) in relation to limited scope due diligence and advice on the wind farm acquisitions which was included in acquisition costs.

BDO LLP was also paid a total of £Nil (2013: £27,900) during the year in relation to the statutory audit of three of the Group's unconsolidated subsidiaries, Tappaghan, Bin Mountain and Carcant.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

6. Taxation

	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
UK Corporation tax charge	—	—
	—	—

The tax charge for the year shown in the Statement of Comprehensive Income is lower than the standard rate of corporation tax of 23 per cent. to 31 March 2014 (2013: 24 per cent.) and 21 per cent. from 1 April 2014 (2013: 23 per cent.) (average rate of 21.5 per cent. (2013: 23.30 per cent.)). The differences are explained below.

	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Profit on ordinary activities before taxation	30,446,391	18,196,789
Profit on ordinary activities multiplied by the standard rate of corporation tax (23 per cent. to 31 March 2014 (2013: 24 per cent.): 21 per cent. from 1 April 2014 (2013: 23 per cent.))	6,543,889	4,239,898
Fair value increases (not subject to taxation)	(251,491)	(5,771,776)
Dividends received (not subject to taxation)	(8,738,126)	(1,840,755)
Intra-Group interest received (not subject to taxation)	—	(190,905)
Realised loss on dissolved loan to Braes of Doune (not subject to taxation)	—	1,563,823
Expenditure not deductible for tax purposes	744,866	956,563
Surrendering of tax losses to unconsolidated subsidiaries	1,700,862	1,043,152
	—	—

7. Earnings per share

	For the year ended 31 December 2014	For the period 4 December 2012 to 31 December 2013
Profit attributable to equity holders of the Company – £	30,446,391	18,196,789
Weighted average number of ordinary shares in issue	363,312,179	263,978,059
Basic and diluted profit from continuing operations in the year/period – pence	**8.38**	**6.89**

There was no income earned or shares issued between 4 December 2012 and 27 March 2013, therefore this period has not been included for the purpose of calculating the weighted average number of shares in the comparative period above.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

8. Dividends declared in relation to the year

The following tables show dividends paid during the year:

	Dividend per share pence	Total dividend £
Interim dividends paid during the year ended 31 December 2014	6.08	20,838,413
	6.08	**20,838,413**
Interim dividends paid during the period 4 December 2012 to 31 December 2013	1.50	3,904,011
	1.50	**3,904,011**

The following tables show dividends in respect of the year but declared and paid after the year end:

	Dividend per share pence	Total dividend £
Interim dividends declared and paid after 31 December 2014 and not accrued in the year	3.08	14,203,699
	3.08	**14,203,699**
Interim dividends declared and paid after 31 December 2013 and not accrued in the period	3.00	10,246,496
	3.00	**10,246,496**

On 30 January 2015, the Company announced a dividend of 3.08 pence per share, bringing the total dividend declared in respect of the year to 31 December 2014 to 6.16 pence per share. The record date for the dividend was 13 February 2015 and the payment date is 27 February 2015.

9. Investments at fair value through profit or loss

Group – For the year ended 31 December 2014	Loan £	Equity interest £	Total £
Opening balance	80,977,593	313,787,577	**394,765,170**
Additions	—	187,253,269	**187,253,269**
Conversion of shareholder loan to equity	(80,977,593)	80,977,593	**—**
Movement in fair value of investments (note 4)	—	1,170,099	**1,170,099**
	—	**583,188,538**	**583,188,538**

On 3 March 2014 Holdco subscribed for additional equity in certain wind farms as disclosed in note 10, amounting to £81.0 million which was used to repay the outstanding balance of the shareholder loans amounting to £81.0 million. During the year, the movement in fair value of investments comprises movement in cash balances of SPVs of £0.4 million (net of £0.5 million cash acquired), acquisition and upfront finance costs of £3.0 million (included in the DCF valuation at acquisition but expensed in the financial statements), which was offset by a decrease in the DCF valuation of the investments of £2.2 million.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

9. Investments at fair value through profit or loss continued

Group – For the period 4 December 2012 to 31 December 2013	Loan £	Equity interest £	Total £
Opening balance	—	—	**—**
Additions	94,838,750	289,016,279	**383,855,029**
Repayment of shareholder loans (note 10)	(7,149,544)	—	**(7,149,544)**
Realised loss on loan to Braes of Doune dissolved in the period	(6,711,613)	—	**(6,711,613)**
Movement in fair value of investments (note 4)	—	24,771,298	**24,771,298**
	80,977,593	**313,787,577**	**394,765,170**

In the prior period, the movement in fair value of investments comprised movement in cash balances of SPVs of £7.4 million, the repayment of shareholder loans of £7.1 million, dissolving the shareholder loan to Braes of Doune of £6.7 million, acquisition and upfront finance costs of £4.5 million (included in the DCF valuation at acquisition but expensed in the financial statements), which was offset by a decrease in the DCF valuation of the investments of £0.9 million.

The movement in fair value of investments of the Company during the year and the prior period were as follows:

Company – For the year ended 31 December 2014	Loan to LLP £	LLP Profit participation interest £	Total £
Opening balance	336,134,140	15,319,641	**351,453,781**
Additions	124,883,721	—	**124,883,721**
Movement in the year	—	10,511,044	**10,511,044**
	461,017,861	**25,830,685**	**486,848,546**

Company – For the period 4 December 2012 to 31 December 2013	Loan to LLP £	LLP Profit participation interest £	Total £
Opening balance	—	—	**—**
Additions	336,134,140	—	**336,134,140**
Movement in the period	—	15,319,641	**15,319,641**
	336,134,140	**15,319,641**	**351,453,781**

IFRS 13 "Fair Value Measurement" 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 three 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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

9. Investments at fair value through profit or loss continued

The only financial instruments carried at fair value are the investments held by the Group, through 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 investments 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 2014. Any transfers between the levels would be accounted for on the last day of each financial period.

The Group's valuation policy and valuation methodology are based on IPEV Valuation Guidelines and are subject to review by the Board.

The unlevered discount rate used in the DCF valuation is between 8 and 9 per cent. (equivalent levered discount rate of approximately 11 per cent.[1]). The market discount rate has remained constant since listing. A variance of +/- 0.5 per cent. is considered to be a reasonable range of alternative assumptions for discount rate.

Base case energy yield assumptions are P50 (50 per cent. probability of exceedance) forecasts produced by expert consultants 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. Given their basis on long term operating data, it is not anticipated that base case energy yield assumptions will be adjusted (other than any Wind Energy True-ups with compensating purchase price adjustments).

Long term power price forecasts are provided by a leading market consultant, updated quarterly and adjusted by the Investment Manager where more conservative assumptions are considered appropriate. Base case power prices are forecast to rise by approximately one per cent. per annum in real terms over the life of the wind farms. The sensitivity below assumes a 10 per cent. increase or decrease in power prices relative to the base case for each year of the asset life, which is a severe scenario (typically, short term prices are more volatile while long term prices remain relatively constant).

The base case long term RPI assumption is 2.5 per cent. (0.5 per cent. above the long term 2.0 per cent. CPI target).

Sensitivity analysis

The fair value of the Group's investments is £583,188,538 (2013: £394,765,170). 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 £	Change in NAV per share pence
Discount rate	8 – 9 per cent.	+ 0.5 per cent.	(19,140,793)	(4.2)
		-0.5 per cent.	20,271,400	4.4
Energy yield	P50	10 year P90	(37,395,738)	(8.1)
		10 year P10	37,394,975	8.1
Power price	Forecast by leading consultant	-10 per cent.	(32,776,880)	(7.1)
		+ 10 per cent.	32,790,973	7.1
Inflation rate	2.5 per cent.	-0.5 per cent.	(18,160,157)	(3.9)
		+ 0.5 per cent.	19,119,183	4.1

(1) assumes 30 per cent. gearing and 3 per cent. interest.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

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 31 December 2014	Ownership Interest 31 December 2013
Bin Mountain	Northern Ireland	100%	100%
Carcant	Scotland	100%	100%
Cotton Farm	England	100%	100%
Earl's Hall Farm	England	100%	100%
Kildrummy	Scotland	100%	—
Maerdy	Wales	100%	—
Tappaghan	Northern Ireland	100%	100%
Drone Hill	Scotland	51.6%	—
North Rhins	Scotland	51.6%	—
Sixpenny Wood	England	51.6%	—
Yelvertoft	England	51.6%	—
SYND Holdco*	UK	51.6%	—

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

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 31 December 2014	Ownership Interest 31 December 2013
Braes of Doune	Scotland	50%	50%
ML Wind*	UK	49%	49%
Little Cheyne Court	England	41%	41%
Rhyl Flats	Wales	24.95%	24.95%

* The Group's investments in Middlemoor and Lindhurst are held through ML Wind.

As disclosed in note 9, Holdco had previously advanced loans to certain wind farms which accrued interest at a rate of 8 per cent. per annum to replace the loans of former shareholders. On 3 March 2014 Holdco subscribed for additional equity in these wind farms, amounting to £80,977,593 which was used to repay the outstanding balance of the shareholder loans amounting to £80,977,593. All accrued interest in relation to these loans was written off.

Wind farm	Loan amount as at 31 December 2013 £	Loan converted to equity in the year £	Loan amount as at 31 December 2014 £
Bin Mountain	238,389	(238,389)	—
Carcant	13,819,189	(13,819,189)	—
Cotton Farm	2,540,885	(2,540,885)	—
Earl's Hall Farm	4,468,360	(4,468,360)	—
ML Holdco	59,910,770	(59,910,770)	—
	80,977,593	**(80,977,593)**	**—**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

10. Unconsolidated subsidiaries, associates and joint ventures continued

Security deposits and guarantees provided by the Group on behalf of its investments are as follows:

Provider of security	Investment	Beneficiary	Nature	Purpose	Amount £
The Company	Maerdy	Natural Resources Wales	Guarantee	Access rights to neighbouring land	n/a
The Company	Cotton Farm	Land owner	Guarantee	Decommissioning	164,930
The Company	Rhyl Flats	The Crown Estate	Guarantee	Decommissioning	4,291,400
Holdco	Braes of Doune	Centrica	Cash	PPA	500,000
					4,956,330

11. Receivables

Group	31 December 2014 £	31 December 2013 £
Dividends receivable	1,300,000	—
Prepayments	52,556	24,312
Other receivables	56,477	217,745
	1,409,033	**242,057**

Company	31 December 2014 £	31 December 2013 £
Amounts due from Group companies	1,004,722	973,091
Prepayments	16,704	24,312
Other receivables	51,007	6,138
	1,072,433	**1,003,541**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

12. Payables

Group	31 December 2014 £	31 December 2013 £
Management fee payable[1]	467,171	145,579
Loan interest payable	517,836	49,734
Share issue costs payable	320,446	571,245
Other payables	366,939	313,516
Acquisition costs payable	—	110,176
	1,672,392	**1,190,250**

(1) Management fee payable by the Group consists of the Equity Element payable for the quarter to 31 December 2014 as well as the 2014 true-up amount of the Equity Element and priority profit share calculated in accordance with the Investment Management Agreement.

Company	31 December 2014 £	31 December 2013 £
Amounts due to Group companies	916,359	505,238
Share issue costs payable	320,446	571,245
Management fee payable[2]	283,033	145,579
Other payables	211,130	162,491
	1,730,968	**1,384,553**

(2) Management fee payable by the Company consists of the Equity Element payable for the quarter to 31 December 2014 as well as the 2014 true-up amount of the Equity Element calculated in accordance with the Investment Management Agreement.

13. Loans and borrowings

Group	31 December 2014 £	31 December 2013 £
Opening balance	50,000,000	—
Amounts drawn down in the year/period	183,000,000	130,000,000
Amounts repaid in the year/period	(128,000,000)	(80,000,000)
Closing balance	**105,000,000**	**50,000,000**

Group	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Facility arrangement fees	1,830,000	1,300,000
Loan interest	3,018,724	692,106
Other facility fees	219,148	75,000
Professional fees	171,420	260,642
Finance expense	**5,239,292**	**2,327,748**

On 24 June 2014, Holdco entered into a loan facility agreement with RBS, RBC and Santander for an incremental loan facility of £42 million. This facility was fully drawn down on 25 June 2014 and the proceeds were used to purchase Kildrummy.

On 24 June 2014, Holdco entered into a loan facility agreement with RBS, RBC and Santander for an incremental loan facility of £51 million. This facility was fully drawn down on 30 June 2014 and the proceeds were used to purchase Maerdy.

On 22 August 2014, Holdco entered into a loan facility agreement with RBS, RBC and Santander for an incremental loan facility of £90 million. This facility was fully drawn down on 22 August 2014 and the proceeds were used to purchase a 51.6 per cent. stake in each of Drone Hill, North Rhins, Sixpenny Wood and Yelvertoft.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

13. Loans and borrowings continued

The final maturity date of the loan facility is 24 June 2017 which is the third anniversary of the amended facility agreement. The margin is 235 basis points until 24 June 2015, 300 basis points in year two and 375 basis points in year three, if not refinanced with debt or equity. The loan is secured by a fixed charge over the shares in Holdco and a floating charge over Holdco's bank accounts. The minimum interest coverage under the terms of the facility agreement is 2.0x (with dividend lockup at 2.5x).

During the year, the Company repaid £128 million (2013: £80 million) of the loan facility, leaving an outstanding balance of £105 million (2013: £50 million). As at 31 December 2014, accrued interest on the loan was £517,836 (2013: £49,734).

14. Contingencies

At the time of acquisition, five of the wind farms in the portfolio (Cotton Farm, Earl's Hall Farm, Kildrummy, Maerdy and Middlemoor) had less than two years' operational data. Consequently, in line with the Group's policy of applying a wind energy true-up to wind farms which have only recently entered into operation, the purchase price for these wind farms may be adjusted (maximum adjustment £17.8 million across all five wind farms) so that it is based on a two year operational record, once the operational data has become available.

The Directors and the Investment Manager are of the opinion that the estimate of the energy yield utilised at acquisition for these assets remains the most appropriate unbiased estimate of the yield following two years' operational data. Any variances of actual energy production from the date of acquisition to the date of signing this report are attributable to weather fluctuations and other short term operational factors rather than more fundamental factors that might influence the long term assessment. Therefore it is not appropriate to recognise a contingent asset or liability in respect of these acquisitions.

15. Share capital – ordinary shares of £0.01

Date	Issued and fully paid	Number of shares issued £	Share capital £	Share premium £	Total £
1 January 2014		**341,243,001**	**3,412,430**	**80,654,271**	**84,066,701**
28 January 2014	Equity Element of investment management fee – Issued at £1.05	306,866	3,069	318,004	**321,073**
5 February 2014	Capital raise – issued at £1.025	2,000,000	20,000	2,030,000	**2,050,000**
5 August 2014	Equity Element of investment management fee – Issued at £1.04	343,550	3,435	354,802	**358,237**
30 October 2014	Capital raise – issued at £1.07	116,822,430	1,168,224	123,831,776	**125,000,000**
		460,715,847	4,607,158	207,188,853	**211,796,011**
5 February 2014	Less share issue costs	—	—	(9,871)	**(9,871)**
30 October 2014	Less share issue costs	—	—	(2,156,407)	**(2,156,407)**
31 December 2014		**460,715,847**	**4,607,158**	**205,022,575**	**209,629,733**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

15. Share capital – ordinary shares of £0.01 continued

Date	Issued and fully paid	Number of shares issued £	Share capital £	Share premium £	Total £
27 March 2013	Subscriber shares – Issued at £0.01	100	1	—	**1**
27 March 2013	Capital raise – issued at £1.00	260,000,000	2,600,000	257,400,000	**260,000,000**
11 April 2013	Equity element of Investment Management Fee – Issued at £0.98	137,222	1,372	133,105	**134,477**
23 July 2013	Equity element of Investment Management Fee – Issued at £1.01	130,069	1,301	129,885	**131,186**
18 December 2013	Capital raise – issued at £1.025	80,975,610	809,756	82,190,244	**83,000,000**
		341,243,001	3,412,430	339,853,234	**343,265,664**
27 March 2013	Less share issue costs	—	—	(4,818,031)	**(4,818,031)**
5 June 2013	Cancellation of share premium account	—	—	(252,715,074)	**(252,715,074)**
18 December 2013	Less share issue costs	—	—	(1,665,858)	**(1,665,858)**
31 December 2013		**341,243,001**	**3,412,430**	**80,654,271**	**84,066,701**

As at 31 December 2014 the Company's issued share capital comprised 460,715,847 (2013: 341,243,001) ordinary shares.

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 2014.

To enable the Company to obtain a certificate to commence business and to exercise its borrowing powers under section 761 CA 2006, on 5 December 2012, 50,000 redeemable preference shares of £1 each were allotted to Greencoat Capital LLP against its irrevocable undertaking to pay 25p in cash for each such share. The redeemable preference shares were redeemed in full on 21 March 2013 out of the proceeds of the issue.

16. Net assets per share

Group	31 December 2014	31 December 2013
Net assets – £	486,245,563	351,074,553
Number of ordinary shares issued	460,715,847	341,243,001
Total net assets – pence	**105.5**	**102.9**

Company	31 December 2014	31 December 2013
Net assets – £	486,245,563	351,074,553
Number of ordinary shares issued	460,715,847	341,243,001
Total net assets – pence	**105.5**	**102.9**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

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

Group	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Operating profit for the year/period	35,685,683	20,524,537
Adjustments for non cash movements:		
Movement in fair value of investments (note 4)	(1,170,099)	(24,771,298)
Investment acquisition costs	756,729	2,889,441
Increase in receivables	(1,166,976)	(242,057)
Increase in payables	375,015	313,516
Equity Element of Investment Manager's fee (note 15)	679,310	411,243
Realised loss on loan to Braes of Doune dissolved in the period (note 9)	—	6,711,613
Net cash flow from operating activities	**35,159,662**	**5,836,995**

Company	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Operating profit for the year/period	30,446,391	18,196,789
Adjustments for non cash movements:		
Movement in fair value of investments (note 9)	(10,511,044)	(15,319,641)
Increase in receivables	(68,892)	(1,003,541)
Increase in payables	597,214	667,729
Equity element of Investment Manager's fee (note 15)	679,310	411,243
Net cash flow from operating activities	**21,142,979**	**2,952,579**

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 of Directors.

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

18. Financial risk management continued

Interest rate risk

The Group's interest rate risk on interest bearing financial assets is limited to interest earned on cash. The Group has no exposure to interest rate risk through loan investments as all loan investments were dissolved and reclassified to equity during the year as disclosed in note 9.

The Group's only exposure to interest rate risk is due to floating interest rates required to service external borrowings. An increase of 1 per cent. represents the Investment Manager's assessment of a reasonably possible change in interest rates. Should the LIBOR rate increase from 0.5 per cent. to 1.5 per cent., the annual interest due on borrowings would increase by £1,050,000 (2013: £500,000). The Investment Manager regularly monitors interest rates to ensure the Group has adequate provisions in place in the event of significant fluctuations. The Group's exposure to interest rate risk as at 31 December 2014 is summarised below:

Group	Interest Bearing £	Non-interest bearing £	Total £
Assets			
Cash at bank	24,480	8,295,904	**8,320,384**
Dividends receivable	—	1,300,000	**1,300,000**
Other receivables	—	56,477	**56,477**
Investments	—	583,188,538	**583,188,538**
	24,480	**592,840,919**	**592,865,399**
Liabilities			
Other payables	—	(1,672,392)	**(1,672,392)**
Loan facility	(105,000,000)	—	**(105,000,000)**
	(105,000,000)	**(1,672,392)**	**(106,672,392)**

The Group's exposure to interest rate risk as at 31 December 2013 is summarised below:

Group	Interest Bearing £	Non-interest bearing £	Total £
Assets			
Cash at bank	4,706,861	2,550,715	**7,257,576**
Other receivables	—	217,745	**217,745**
Investments – Loans	80,977,593	—	**80,977,593**
– Equity	—	313,787,577	**313,787,577**
	85,684,454	**316,556,037**	**402,240,491**
Liabilities			
Other payables	—	(1,190,250)	**(1,190,250)**
Loan facility	(50,000,000)	—	**(50,000,000)**
	(50,000,000)	**(1,190,250)**	**(51,190,250)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

18. Financial risk management continued

Interest rate risk continued

The Company's exposure to interest rate risk as at 31 December 2014 is summarised below:

Company	Interest Bearing £	Non-interest bearing £	Total £
Assets			
Cash at bank	654	54,898	**55,552**
Other receivables	—	51,007	**51,007**
Amounts due from Group companies	—	1,004,722	**1,004,722**
Investments – Loans	—	486,848,546	**486,848,546**
	654	**487,959,173**	**487,959,827**
Liabilities			
Other payables	—	(1,730,968)	**(1,730,968)**
	—	**(1,730,968)**	**(1,730,968)**

The Company's exposure to interest rate risk as at 31 December 2013 is summarised below:

Company	Interest Bearing £	Non-interest bearing £	Total £
Assets			
Cash at bank	845	939	**1,784**
Other receivables	—	6,138	**6,138**
Amounts due from Group companies	—	973,091	**973,091**
Investments – Loans	—	351,453,781	**351,453,781**
	845	**352,433,949**	**352,434,794**
Liabilities			
Other payables	—	(1,384,553)	**(1,384,553)**
	—	**(1,384,553)**	**(1,384,553)**

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.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

18. Financial risk management continued

Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfil its contractual obligations. The Group is exposed to credit risk in respect of other receivables and cash at bank. The Group minimises its credit risk exposure by dealing with financial institutions with investment grade credit ratings. The Company does not consider the loans advanced to Group companies as a risk as they are intra-Group.

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

Group	31 December 2014 £	31 December 2013 £
Other receivables	56,477	217,745
Dividends receivable	1,300,000	—
Investments – Loans	—	80,977,593
Cash at bank	8,320,384	7,257,576
	9,676,861	**88,452,914**

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

Company	31 December 2014 £	31 December 2013 £
Other receivables	51,007	6,138
Investments – Loans	486,848,546	351,453,781
Cash at bank	55,552	1,784
	486,955,105	**351,461,703**

The table below shows the cash balances of the Group at 31 December 2014 and 2013 and the Standard & Poor's credit rating for each counterparty:

	Rating	31 December 2014 £	31 December 2013 £
Royal Bank of Scotland PLC	BBB+	7,820,384	6,749,576
Barclays Bank PLC	A-	500,000	508,000
		8,320,384	**7,257,576**

The table below shows the cash balances of the Company at 31 December 2014 and 2013 and the Standard & Poor's credit rating for each counterparty:

	Rating	31 December 2014 £	31 December 2013 £
Royal Bank of Scotland PLC	BBB+	55,552	1,784
		55,552	**1,784**

The loan is secured by a fixed charge over the shares in Holdco and a floating charge over Holdco's bank accounts. There are no amounts receivable which are past due.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

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.

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

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

31 December 2014	Less than 1 year £	1 – 5 years £	5+ years £	Total £
Assets				
Other receivables	56,477	—	—	**56,477**
Dividends receivable	1,300,000	—	—	**1,300,000**
Cash at bank	8,320,384	—	—	**8,320,384**
Liabilities				
Other payables	(1,672,392)	—	—	**(1,672,392)**
Loan facility and interest*	(3,403,823)	(111,317,630)		**(114,721,453)**
	4,600,646	**(111,317,630)**	**—**	**(106,716,984)**

31 December 2013	Less than 1 year £	1 – 5 years £	5+ years £	Total £
Assets				
Other receivables	217,745	—	—	**217,745**
Cash at bank	7,257,576	—	—	**7,257,576**
Investments – loans	80,977,593	—	—	**80,977,593**
Liabilities				
Other payables	(1,190,250)	—	—	**(1,190,250)**
Loan facility	—	(50,000,000)	—	**(50,000,000)**
	87,262,664	**(50,000,000)**	**—**	**37,262,664**

* The above table shows contractual amounts under the loan facility, however we expect this loan to be repaid in full within one year.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

18. Financial risk management continued

Liquidity risk continued

The following tables detail the Company's expected maturity for its financials assets (excluding equity) and liabilities:

31 December 2014	Less than 1 year £	1 – 5 years £	5+ years £	Total £
Assets				
Other receivables	51,007	—	—	**51,007**
Cash at bank	55,552	—	—	**55,552**
Investments – loans	—	—	486,848,546	**486,848,546**
Liabilities				
Other payables	(1,730,968)	—	—	**(1,730,968)**
	(1,624,409)	**—**	**486,848,546**	**485,224,137**

31 December 2013	Less than 1 year £	1 – 5 years £	5+ years £	Total £
Assets				
Other receivables	406,138	—	—	**406,138**
Cash at bank	1,784	—	—	**1,784**
Investments – loans	—	—	351,453,781	**351,453,781**
Liabilities				
Other payables	(1,384,553)	—	—	**(1,384,553)**
	(976,631)	**—**	**351,453,781**	**350,477,150**

Capital risk management

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

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

19. Related party transactions

During the year the Company advanced an interest free loan investment to LLP of £124,883,721 (2013: £336,134,140). The total interest free loan investment advanced from the Company to LLP as at 31 December 2014 was £461,017,861 (2013: £336,134,140). LLP has entered into intra-Group loan agreements with Holdco during the year amounting to £124,883,721 (2013: £336,134,140), whereby LLP provides a senior loan facility at an interest rate of 7 per cent. per annum and a junior loan facility at an interest rate of 10 per cent. per annum, both repayable on demand. The intra-Group loans provided by LLP to Holdco as at 31 December 2014 total £461,017,861 (2013: £336,134,140) and Holdco used these loan facilities to invest in the wind farms and meet acquisition costs and other operating expenses.

Under the terms of a Management Services Agreement with Holdco, the Company receives £800,000 per annum in relation to management and administration services. £800,000 (2013: £600,000) was paid from Holdco to the Company in relation to the year under this agreement.

Holdco has Management Service Agreements with Braes of Doune, Tappaghan, Bin Mountain, Carcant, Cotton Farm, Earl's Hall Farm, Kildrummy, Maerdy, North Rhins, Drone Hill, Sixpenny Wood and Yelvertoft. Holdco receives £30,000 (2013: £30,000) per annum from each of these entities in relation to administration services. The other receivables amount referred to in note 11 to the financial statements includes an amount of £nil (2013: £57,500) due to Holdco in respect of these fees.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

19. Related party transactions continued

Holdco had previously advanced loans to certain wind farms which accrued interest at a rate of 8 per cent. per annum to replace the loans of former shareholders. As disclosed in notes 9 and 10, on 3 March 2014 Holdco subscribed for additional equity in these wind farms, amounting to £80,977,593 which was used to repay the outstanding balance of the shareholder loans amounting to £80,977,593. All accrued interest in relation to these loans was written off.

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

	For the year ended 31 December 2014 £	For the period 4 December 2012 to 31 December 2013 £
Braes of Doune*	6,900,000	—
Tappaghan	6,162,905	238,343
Rhyl Flats	5,439,100	4,479,122
Cotton Farm	4,665,706	—
Little Cheyne Court	4,097,950	3,182,684
ML Wind	4,137,658	—
Earl's Hall Farm	2,995,095	—
Bin Mountain	2,154,272	—
Carcant	1,684,574	—
Kildrummy	1,100,000	—
Maerdy	975,000	—
SYND Holdco	343,140	—
	40,655,400	**7,900,149**

* £1.3 million receivable as at 31 December 2014.

20. Ultimate controlling party

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

21. Subsequent events

On 30 January 2015, the Company announced a dividend of £14,203,699, equivalent to 3.08 pence per share. The record date for the dividend was 13 February 2015 and the payment date is 27 February 2015.

On 4 February 2015, 443,213 additional shares were issued and allotted to the Investment Manager. This consisted of 171,947 shares as payment of the equity element of the Investment Management fee for the quarter to 31 December 2014, 230,358 shares as payment of the equity element of the Investment Management fee for the quarter to 31 March 2015 and an additional 40,908 shares in respect of the true-up amount of the Investment Management fee for the year to 31 December 2014 calculated in accordance with the Investment Management Agreement.

On 9 February 2015, Martin McAdam was appointed as a Director of the Company with effect from 1 March 2015.

Defined Terms

Adjusted Portfolio Value means Gross Asset Value

AES means a subsidiary (or subsidiaries) of the AES Corporation

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 by way of reference to the AIC Guide

AIC Guide means the AIC's Corporate Governance Guide for Investment Companies

AIF means and 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

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

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

Bin Mountain means Bin Mountain Wind Farm (NI) Limited

BIS means the Secretary of State for Business, Innovation and Skills of the UK Government

Board means the Directors of the Company

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

Carcant means Carcant Wind Farm (Scotland) Limited

CFD means Contract For Differences

Company means Greencoat UK Wind PLC

Cotton Farm means Cotton Farm Wind Farm Limited

CPI means the Consumer Price Index

DCF means Discounted Cash Flow

Drone Hill means Drone Hill Wind Farm Limited

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

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

EU means the European Union

FRC means the Financial Reporting Council

GAV means Gross Asset Value as defined in the prospectus

Group means Greencoat UK Wind PLC, Greencoat UK Wind 1 LLP and Greencoat UK Wind Holdco

Holdco means Greencoat UK Wind Holdco Limited

IAS means International Accounting Standard

IASB means the International Accounting Standards Board

IFRS means International Financial Reporting Standards

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

KPI means Key Performance Indicator

Lindhurst means Lindhurst Wind Farm

Little Cheyne Court means Little Cheyne Court Wind Farm Limited

LLP means Greencoat UK Wind 1 LLP, a limited liability partnership of which the Company and the Investment Manager are the members

Middlemoor means Middlemoor Wind Farm

ML Wind means ML Wind LLP

NAV means Net Asset Value as defined in the prospectus

NAV per Share means the Net Asset Value per Ordinary Share

North Rhins means North Rhins Wind Farm Limited

PKF LLP means PKF (UK) LLP, the Company's former auditor prior to its merger with BDO LLP

PPAs means Power Purchase Agreements entered into by the Company's wind farms

PPS means share of profit as governed by the Investment Management Agreement

RBC means the Royal Bank of Canada

RBS means the Royal Bank of Scotland PLC

Defined Terms continued

Renewables Obligation means the financial mechanism by which the UK Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty

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

RPI means the Retail Price Index

Sixpenny Wood means Sixpenny Wood Limited

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

Swiss Life means Swiss Life Funds (Luxembourg) Global Infrastructure Opportunities, S.C.A., SICAV-SIV which is 100 per cent. owned by Swiss Life Asset Management

SYND Holdco means SYND Holdco Limited

Tappaghan means Tappaghan Wind Farm (NI) Limited

TSR means Total Shareholder Return

UK means the United Kingdom of Great Britain and Northern Ireland

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

Yelvertoft means Yelvertoft Wind Farm Limited

Cautionary Statement

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

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

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

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

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

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

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

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