TRIG
The Renewables Infrastructure Group

Generating Sustainable Value.

Annual Report & Financial Statements for the year ended 31 December 2018

The Renewables Infrastructure Group Limited

Garreg Lwyd, Wales

Front cover image:
Hill of Towie, Scotland ©Keith Arcins

Contents

Highlights

Year ended

	2018	2017	2016	2015	2014
NAV per share[1]	108.9p	103.6p	100.1p	99.0p	102.4p
Directors' portfolio valuation[2]	£1,268.7m	£1,081.2m	£818.7m	£712.3m	£472.9m
Dividend target set for the following year[3]	6.64p	6.50p	6.25p	6.19p	6.08p
Portfolio generation capacity[4]	1,110MW	821MW	716MW	658MW	439MW
Number of projects[4]	62	57	53	36	29

Key Statistics (for the year ended 31 December 2018)

550,000
tonnes of carbon emissions avoided

2,011 GWh
power generated

£236m
equity capital raised

£348m
investments committed

11.6%
total return for the year
(NAV per share appreciation plus dividends paid)

7.8%
total return since IPO annualised
(NAV per share appreciation plus dividends paid)

10.7%
total shareholder return (on a share price basis)

8.3%
total shareholder return since IPO annualised (on a share price basis

1 The NAV per share at 31 December 2018 is calculated on the basis of the 1,178,372,755 Ordinary Shares in issue at 31 December 2018 plus a further 939,843 Ordinary Shares to be issued to the Managers in relation to part-payment of Managers' fees for 2018 in the form of Ordinary Shares.

2 On an Expanded Basis. Please refer to page 42 for an explanation of the Expanded Basis.

3 These are not profit forecasts. There can be no assurance that targets referred to in this document will be met.

4 Including investment commitments and capacity in construction as at 31 December 2018 for Solwaybank and Ersträsk.

Hill of Towie, Scotland ©Keith Arkins

01 Chairman's Statement

Chairman's Statement

Helen Mahy, CBE

Chairman

On behalf of the Board, I am pleased to present the 2018 report and accounts for The Renewables Infrastructure Group Limited[1].

Your Company has performed strongly during the period, delivering shareholders a total return (based on dividends paid and NAV growth) of 11.6% for the year. Since IPO in 2013 until 31 December 2018, the total NAV return has been 7.8% on an annualised basis.

The portfolio performed well with good levels of asset availability. The effects of lower than forecast wind speeds were mitigated by the diversification of the portfolio and higher than expected power prices being achieved.

The value of TRIG's portfolio benefitted from higher forecasted power prices as a result of increased gas and carbon prices expected over the medium-term. In addition, the portfolio experienced gains from the refinancing of project-level debt and a reduction in valuation discount rates reflecting the highly competitive market for renewables. TRIG's Managers continue to generate value through a wide range of operational enhancements at project-level and through scale efficiencies as the portfolio expands.

Financial Results

The net asset value ("NAV") per share was 108.9p at 31 December 2018 (2017: 103.6p), an increase of 5.3p after the payment of dividends, reflecting the positive contribution of the above items.

The portfolio was valued at £1,268.7m as at 31 December 2018. This is an increase of 17% on the £1,081.2m valuation of the portfolio as at 31 December 2017 and includes investments made of £143.4m. As a result of increased market pricing for renewables assets, we have reduced the weighted average portfolio discount rate by 0.3% to 7.6% at the year end.

Profit before tax was £123.2m (2017: £90.2m) and earnings per share were 11.7p (2017: 9.8p), resulting from strong operational performance and an uplift in the portfolio valuation. Cash received from the portfolio by way of distributions, which include dividends, interest and loan repayments, was £98.5m (2017: £73.0m). Underlying this, realised electricity prices were above forecasts and ROC receipts, including the recycling element, have also been higher than expected for the period.

The Company made commitments of £348.0m, of which £143.4m was invested during the year and £204.6m of future commitments remain at the year-end as outlined in the Acquisitions section on page 31 of the Strategic Report. In addition, the Company repaid the Revolving Acquisition Facility which was £106.4m drawn at the start of the year. These cash outflows were funded through a combination of £233.8m of share capital raised (net of costs) through the issue at premium to NAV of 219.2m ordinary shares over the year, and also the reinvestment of surplus cash generated from the Company's portfolio.

In December 2018, TRIG extended its Revolving Acquisition Facility until December 2021 on improved terms and increased the committed facility size from £240m to £340m. This additional borrowing capacity will enable TRIG to access more short-term capital to execute on its active deal pipeline which includes some potentially large acquisitions, reflecting the increased scale of many new renewables projects.

The Company's Ongoing Charges Percentage was broadly unchanged at 1.12% (2017: 1.11%)[2].

Portfolio Update

TRIG's portfolio is now 62 assets with a generation capacity of 1,110MW (2017: 821MW)[3]. Annual electricity production increased by 14% to 2,011GWh (2017: 1,766GWh), reflecting a full year's production from Sheringham Shoal, Freasdail, Garreg Lwyd and Neilston wind farms, as well as at Clahane and the commencement of production at its extension. Despite good

1 "TRIG" or the "Company", and with the holding companies and investments, the "Group".
2 Using the methodology of the Association of Investment Companies ("AIC").
3 Capacity is from both generation and battery output and includes investment commitments and the related construction capacity as at 31 December 2018.

UK irradiation, wind speeds were lower than average which resulted in overall production at 3.7% below budget.

Asset operational performance was strong over the period and the assets experienced minimal downtime. Generation was good despite poorer wind speeds, mainly as a result of high levels of asset availability. Production at the UK solar sites was at its highest level since operations began at 8% above budget, following excellent availability during the sunny summer. Many of the wind farms benefited from proactive major component replacements and repairs which took place during the lower wind periods, which helped to minimise downtime over the windier winter.

TRIG made new investments in five onshore wind farms, comprising 100% interests in Clahane, a wind farm in the Republic of Ireland (55MW), Rosières and Montigny, two wind farms in France (31.8MW combined) and Solwaybank, a wind farm in Scotland (30MW), and a 75% equity interest in Ersträsk wind farm in Sweden (171.8MW, net share).

The Board notes the recent market commentary on extended asset life assumptions. This is an area that we, together with the Managers, keep under regular review.

We consider asset lives on an asset-by-asset basis taking into account technical advice. As well as the structural durability of the asset in question, consideration is given to maintenance costs, asset down-time and power price capture rates, which advisers anticipate will reduce over time compared to base-load prices due to the expected increase in low marginal-cost renewables generation (an effect which is also referred to as ‘cannibalisation’). In addition, we evaluate the likelihood of obtaining planning and lease extensions.

At IPO in 2013, the assumed operating life of an asset was 25 years. Assumptions adopted in the year-end valuation typically range from 25 to 30 years from the date of commissioning, with an average 26 years for the wind portfolio and 30 years for solar portfolio. The overall average across the portfolio as at 31 December 2018 was 27 years (31 December 2017: 27 years).

The Operations Manager is currently undertaking a detailed technical review of these assumptions to consider if longer lives should be assumed. Whilst increases will not be appropriate in all cases, an increase of between 2 and 3 years on average across the portfolio is being considered. Sensitivity analysis (see page 40 for further detail) indicates that an increase in asset life of one year could increase the portfolio valuation by the equivalent of 1.1p per share (ie an increase to NAV per share of 2-3p, absent other movements).

Investment Policy

Further investments in onshore wind in the UK, France and Republic of Ireland and the Company’s first investment in the Nordic region have added increased scale and diversification to the Company’s portfolio. The Company’s investment in the Nordics represents an entry into a significant new market. Geographic diversification and, in turn, diversification of regulatory risk remain key pillars of our strategy.

In the UK new project development continues to favour offshore wind, which is now considered a mature, reliable mainstream power source across Europe. As such, the Board intends to put a proposal to shareholders at the forthcoming Annual General Meeting that the Company amends its Investment Policy so that no distinction is made between offshore and onshore wind. Offshore wind would then no longer be included in the 20% investment limit on “other” technologies. Full details of the proposal will be set out in the Notice of Annual General Meeting which the Company expects to publish in March 2019.

Dividends

With higher than forecast power prices, 2018 has been a year of strong cash generation. Cash dividend cover increased to 1.5 times after scrip take-up or 1.25 times without the benefit of scrip take up (2017: 1.2 times after scrip take up or 1.1 times without the benefit of scrip take up).

The Board has declared a fourth interim dividend for the year ended 31 December 2018 of 1.625p per share to bring the aggregate 2018 dividend to 6.50p per share in line with the target set a year ago. The fourth interim dividend is payable to those ordinary shareholders on the register on the record date of 15 February 2019 and will be paid on 29 March 2019.

During 2018 the Company distributed a total of £67.5m of dividends, of which £10.6m comprise scrip shares for those shareholders who elected to receive their distributions in TRIG shares. Further details on the Company’s scrip dividend can be found in the Scrip Dividend Circular 2018 (available on the Company’s website).

For the 2019 financial year, the Company is targeting an aggregate dividend of 6.64p per share, a 2.2% increase on 2018’s target of 6.50p, to be paid in four equal quarterly instalments in June, September, December 2019 and March 2020.

This target follows the Company’s dividend policy by increasing the dividend to the extent which the Board sees it prudent to do so, and taking into account forecast cash flows, expected dividend cover, inflation across TRIG’s key markets, the outlook for electricity prices and the operational performance of the Company’s portfolio.

Sustainability

Sustainability is core to all that TRIG does and we recognise that investing responsibly is critical to TRIG’s performance and growth over the longer term. Working for a company that creates sustainable value for all its stakeholders is important to the Board. Not only do we produce clean energy, but we look to ensure that everyone who has an interface with TRIG benefits from what we do, whether it be local communities, employees, suppliers or investors.

TRIG’s primary aim is to provide investors with long-term, sustainable dividends and in so doing, to contribute to a lower carbon future. The Board is proud to say that in 2018 the portfolio was capable of generating enough electricity to provide clean power for the equivalent of 650,000 homes, equivalent to 0.6% of the overall electricity consumed in the UK. In addition,

Chairman's Statement

(continued)

TRIG strives to maintain its strong reputation for its standard of business conduct and stakeholder engagement through being a responsible investor, a good neighbour, a trusted partner and a dependable customer.

We discuss TRIG's commitment to Environmental Social and Governance matters ("ESG") in Section 2.11 'Stakeholders, Corporate Culture and Sustainability'.

Corporate Governance

Given the increased size of the Company and the need to manage Board succession, we have commenced the search for a fifth non-executive director. We believe that maintaining a diverse and collaborative Board will continue to positively impact TRIG's performance. Thus we will be mindful of the findings of the Parker Review into the ethnic diversity of boards and the Hampton-Alexander Review into improving the gender balance in FTSE leadership positions when making the appointment.

The diversity of TRIG's existing Board has been recognised in 2018. TRIG achieved a perfect score for gender balance from the L&G Future World Gender in Leadership UK Index Fund, or "GIRL" fund, and the Hampton-Alexander Review ranked TRIG in the top ten FTSE 250 Companies for the gender mix of its Board.

I am pleased to report that the Board has engaged with TRIG's Managers to discuss the further tiering of their management fees to ensure that shareholders benefit from TRIG's economies of scale as the portfolio grows. As the Adjusted Portfolio Value of the Company increases, the aggregate Managers' fee will reduce to 0.75% (previously 0.80%) above £2bn and reduce to 0.70% (previously 0.80%) above £3bn.

Regulatory Market

Governments across Europe remain dedicated to achieving their decarbonisation targets and continue to adhere to local and international Climate Change initiatives, including agreeing a new rulebook for the implementation on the Paris Accords at the recent COP24 conference in Krakow. The renewables sector has benefitted from increasing cost competitiveness and from a focus on the importance of energy security. As a result, renewables are now predominantly the chosen solution to add capacity or replace outgoing plant in TRIG's key markets. Increased intermittent generation with greater deployment of renewables is also leading to demand for flexible capacity such as peaking plant and battery storage.

The UK's ongoing negotiations to leave the European Union do not appear to be having a material impact on the renewables sector, with the UK Government expected to continue with policies and initiatives to help reach carbon emissions targets enshrined in domestic legislation.

The Board notes that Ofgem has proposed, under the Targeted Charging Review, to remove most of the remaining "embedded benefits" received by smaller distribution-connected generators and is considering introducing additional charges for generators depending on their location. TRIG is engaging with Ofgem on the consultation, with the final outcome not expected till later this year. For the purposes of the Valuation of the Company, it is assumed that no such embedded benefits will be received. This is discussed further in Section 2.4.

The Board has noted the stated policies of the UK's opposition Labour Party, including potential changes in taxation and the nationalisation of key parts of the energy sector, which would have the potential to impact the structure of the energy supply market, as well as potential changes in taxation. However, all the main parties remain supportive of renewables generation.

In France, another key market for TRIG, the French government has introduced ambitious targets for renewable capacity by 2028, including the trebling of onshore wind, a fivefold increase in solar and introducing approximately 5GW of offshore wind.

Pipeline and fundraising

With an active and healthy pipeline, we are confident that 2019 will be another year of continued growth and solid performance. At the time of writing, the Company has an advanced pipeline comprising several investment opportunities where negotiations have reached an advanced stage for investments in wind farms located within France, the Nordics and the UK. Should they all be successfully concluded they would involve expected investment outflows in excess of £250m in aggregate by 30 June 2019.

At the end of 2018, TRIG's revolving acquisition facility was undrawn which puts TRIG in a good position to execute on deals over the shorter term. However, in light of the attractive pipeline of investment opportunities and subject to the continued positive development of the pipeline and prevailing market conditions, the Company intends to publish a prospectus in connection with a Share Issuance Programme in early March. This will include an updated NAV as at 28th February 2019 to reflect the technical work relating to asset life assumptions. The Company intends to reserve in the first instance a portion of the Company's next fundraising for existing shareholders via an open offer. The Company are also looking to make shares available to new shareholders via an offer for subscription and a placing.

Outlook

The Renewables asset class represents a growing and important segment of the rapidly evolving energy market and, accordingly, a compelling investment opportunity. Furthermore, TRIG is well placed over the longer term to take advantage of the drive towards global de-carbonisation and continued investor appetite for long-term yield from sustainable asset classes.

We can identify three fundamental themes driving the expansion and the increasing relevance of the renewables sector:

The first is **acceleration of the energy transition** from fossil fuels to zero/low carbon sources, enabled by significant reductions in the cost of producing renewable energy. This drives electrification of new sectors, such as vehicle transport, increasing further the demand for renewable electricity.

The second key theme is the **increased diversification of renewables**. Offshore Wind and battery storage technology are adding increased diversification to renewable energy solutions. The diversification of exposure to different power price markets, weather systems and regulatory frameworks increases the resilience of the portfolio to localised risks.

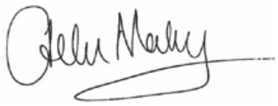
The third theme is the **reducing subsidy support for new projects as renewables reach grid parity**. Development economics in Europe are favouring windfarms in the windier north, and solar parks in the sunnier southerly latitudes. Falling development costs are leading to projects being developed without recourse to government subsidies, for example wind in Scandinavia and solar in Spain. In removing the risk of retroactive loss of subsidy in these territories, there is a shift in focus from sovereign risk towards different means of hedging power price risk coupled with less geared capital structures.

In addition, the UK is focussed increasingly on offshore wind, with little new development of onshore wind and solar.

Recent portfolio additions, as well as the Company's pipeline, are therefore mostly in the wind sector, although a new investment was made in the battery storage sector in 2017. Conversely, a greater proportion of the Company's investments and pipeline are outside the UK, increasing the portfolio's geographical diversification.

As the renewables market in Europe continues to evolve at pace, the Board, along with the Managers of the Company, will continue to look for opportunities to adapt the portfolio, seeking to enhance diversification and avoid reliance on singular markets at risk of scarcity premia, so to best capture value for investors. This will include examining new markets in Europe including where grid parity allows development of renewables without subsidies.

The Board would like to take this opportunity to thank investors and other stakeholders for their consistent support as the Company enters its sixth full year of operations since IPO. The Board looks forward to continuing to generate sustainable returns for shareholders while helping to build a low-carbon future.



Helen Mahy CBE
Chairman

18 February 2019

Helen Mahy with Gavin McAlpine, Chairman of RES, show Scotland's minister for trade, investment and innovation, Ivan McKee, around the Broxburn Energy Storage facility in September 2018.

Maintenance at Altahullion, Northern Ireland **©Keith Arkins**

02
Strategic Report

2.1 Objectives

TRIG aims to generate sustainable value for its shareholders from renewable energy whilst contributing to lower global carbon emissions.

TRIG's diversified portfolio comprises predominantly operational wind farms and solar parks in the UK and Northern Europe. The Company aims to provide its investors with long-term, stable dividends and to retain the portfolio's capital through re-investment of surplus cash flows after payment of dividends.

The Company seeks to provide investors with an attractive long term risk adjusted return on their investment. The weighted average portfolio discount rate used in the valuation of the portfolio adjusted to take account of fund-level costs implies the expected level of return to investors from a theoretical investment in the Company made at NAV per share. As at 31 December 2018, the weighted average portfolio discount rate was 7.6% and the Company's ongoing charges ratio has in recent years been c.1.1%.

TRIG's key **financial objectives** are to provide its shareholders with:

- **An attractive, long-term, income-based return** by focusing on strong cash generation across a portfolio of mostly operating renewable energy assets;
- **prudent financial management** in terms of the approach to cost control, cash management, financing arrangements and foreign exchange and interest rate hedging; and
- **a diversified investment portfolio at scale** in order to spread risk, increase share liquidity, obtain efficiencies and enhance NAV per share for investors.

TRIG's key **non-financial objectives** include:

- **reducing dependence on fossil fuels** by diversifying our energy supply;
- cultivating strong **stakeholder relationships**;
- maintaining an **adaptive business model** in response to energy trends; and
- **providing knowledge leadership** to the sector through enhancing the understanding of investment in renewables investment.

2.2 Business Model

Introduction

The Renewables Infrastructure Group ("TRIG") was one of the first investment companies investing in renewable energy infrastructure projects listed on the London Stock Exchange. TRIG completed its IPO in 2013 raising £300m and is a member of the FTSE-250 index with a market capitalisation as at 31 December 2018 of approximately £1.3bn. TRIG aims to provide its shareholders with long-term, sustainable returns from a diversified portfolio of renewables and related investments to help create a low-carbon future whilst protecting the capital value of its investment portfolio through the re-investment of surplus cash flows after the payment of dividends.

Management

The Company has a board of four independent non-executive directors (details of whom can be found in Section 3 whose role is to manage the governance of the Company in the interests of shareholders and other stakeholders. In particular, the Board approves and monitors adherence to the Investment Policy, determines risk appetite of the Group, sets Group policies and monitors the performance of the Investment Manager, the Operations Manager and other key service providers. The Board meets a minimum of four times per year for regular Board meetings and there are a number of ad hoc meetings dependent upon the requirements of the business. In addition, the Board has five committees covering the areas of Audit, Nomination, Remuneration, Management Engagement and Market Disclosure.

The Board takes advice from the Investment Manager, InfraRed, as well as from the Operations Manager, RES, on matters concerning the market, the portfolio and new investment opportunities. Day-to-day management of the Group's portfolio is delegated to the Investment Manager and the Operations Manager, with investment decisions within agreed parameters delegated to an Investment Committee constituted by senior members of the Investment Manager.

InfraRed Capital Partners Limited ("InfraRed") is TRIG's Investment Manager and advises the Group on financial management, sourcing and executing on new investments and providing capital raising and investor relations services.

InfraRed is a leading international investment manager specialised in infrastructure and real estate. With over 150 employees and offices in London, New York, Hong Kong, Seoul and Sydney, InfraRed has a track record of around 20 years in raising and managing 17 infrastructure and real estate funds with over US$12bn of equity under management.

InfraRed is also adviser to HICL Infrastructure Company Limited, the largest London-listed infrastructure investment company with a market capitalisation of £2.8bn as at 31 December 2018.

Renewable Energy Systems Limited ("RES") is the Company's Operations Manager. RES is also the world's largest independent renewable energy company.

RES has a dedicated team providing TRIG with a wide range of portfolio-level operations management services, plus the ability to draw on a broader selection of in-house experience when required.

RES has been at the forefront of wind energy development for over 35 years, with the expertise to develop, engineer, construct, finance and operate projects around the globe. RES has developed or constructed onshore and offshore wind, solar, energy storage and transmission projects totalling more than 16GW in capacity. Globally, RES operates over 3.5GWs on behalf of a wide range of investment clients. Headquartered in Hertfordshire, UK, RES is active in 10 countries and has over 2,000 employees engaged in renewables globally.

RES is an expert at optimising energy yields, with a strong focus on safety and sustainability. Further details can be found on the website at www.res-group.com.

2.2 Business Model

(continued)

The key roles of the Investment Manager and the Operations Manager are set out below:

Investment Manager (InfraRed)	Operations Manager (RES)
▲ Monitoring financial performance against Group targets and forecasts	▲ Day-to-day monitoring and oversight of the operations of the Group's portfolio of investments
▲ Advising the Board on investment strategy and portfolio composition to achieve the desired target returns within the agreed risk appetite	▲ Provision of directors to project company boards
▲ Sourcing, evaluating and implementing the pipeline of new investments for the portfolio	▲ Monitoring of service providers to project investment companies
▲ Managing the investment cash flows from the Group's investments	▲ Facilitation of early resolution of operational issues as they arise, including performance and disputes
▲ Minimising cash drag (having un-invested cash on the balance sheet) and improving cash efficiency generally	▲ Management of project-level financing including implementation and project-level debt covenants
▲ Managing the process and analysis for semi-annual valuations of the Group's portfolio submitted to the Board for approval	▲ Management of power sales strategy including Power Purchase Agreements ("PPAs")
▲ Ensuring good financial management of the Group, having regard to accounting, tax and debt covenants	▲ Assisting on technical and commercial due diligence of projects being evaluated for acquisition by the Group
▲ Hedging non-sterling investments	▲ Seeking of cost savings through contract variations and extensions
▲ Managing the Company's investor reporting and investor relations activities	▲ Project-level ESG co-ordination including community relations and compliance with regulations affecting project companies

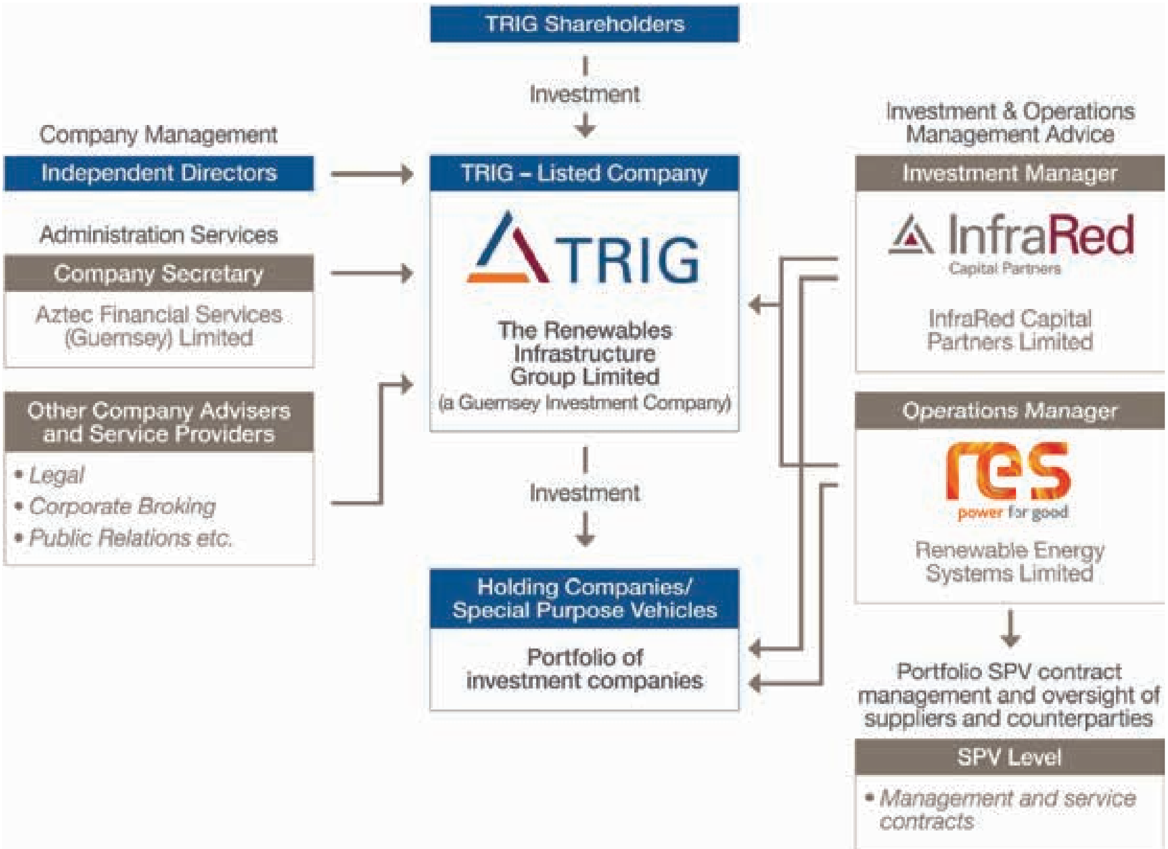
Other key service providers to the TRIG Group include Aztec Financial Services (Guernsey) Limited providing Company Secretarial and Administrative services, Canaccord Genuity Limited and Liberum Capital Limited as joint brokers, Tulchan Communications LLP as financial public relations advisers, Carey Olsen as legal advisers as to Guernsey law, Norton Rose Fulbright LLP as legal advisers as to English law, Link Asset Services (Guernsey) Limited as registrars, Deloitte LLP as auditor and National Australia Bank, Royal Bank of Scotland International and ING Group as lenders to the Group via the Revolving Acquisition Facility.

The Board reviews the performance of all key service providers on an annual basis.

Group Structure

Through the group structure, the Company owns a portfolio of renewable energy infrastructure investments in the UK, Ireland, France and Sweden. TRIG seeks to protect and enhance the income from and value of the existing portfolio through active management and sourcing of new investments which enhance the diversity and scale of the portfolio, utilising the expertise of the market-leading Investment and Operations Managers appointed by the Company. The Company has a 31 December year-end, announces interim results in August and full year results in February. The Company pays dividends quarterly.

TRIG's Group structure, including management structure and key service providers, is illustrated below.



The Company is a self-managed Alternative Investment Fund under the European Union's Alternative Investment Fund Managers Directive.

TRIG is a Guernsey-registered investment company (which is not uncommon for UK listed investment companies). Tax is paid by the portfolio companies in the markets in which they operate and by the Company's shareholders on the dividends they receive (according to the jurisdiction and taxation status of each shareholder). The structure ensures investors are not in a disadvantageous tax position compared to direct investors in infrastructure projects; in effect this emulates the structure formalised for real estate investors by the creation in the UK of Real Estate Investment Trusts ("REITs"). A similar tax treatment can be achieved by UK Investment Trust Companies located onshore by applying the UK's Investment Trust (Approved Company) (Tax) Regulations (2011) with the company deeming a portion of its dividends paid to investors as interest distributions (although we note that for certain UK shareholders the tax treatment of interest income is different to dividend income).

2.2 Business Model

(continued)

TRIG's Board of Directors (from left to right: Helen Mahy, Jon Bridel, Shelagh Mason and Klaus Hammer)

Key members of TRIG's day-to-day management team include (from left to right: Chris Sweetman, Jaz Bains, Richard Crawford and Phil George)

2.3 Investment Approach and Policy

Investment Approach

TRIG's investment approach is based on the following two factors:-

The renewables market opportunity

- the long-term public and political commitment in target countries towards creating a cleaner, more secure and sustainable energy mix
- the shortfall in power generation capacity due principally to the reduction in coal-fired and nuclear generation facilities due to emissions, safety and/or age
- the EU-wide renewables target requiring 32% of energy to be generated from renewable sources by 2030, the UK's 2050 carbon reduction programme and broader United Nations initiatives to achieve challenging long-term de-carbonisation goals
- extensive opportunities for investment in the secondary market for generation assets as utilities and others recycle their capital

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The ability to construct a diversified portfolio across established, low-risk technologies, electricity markets, weather systems and revenue types

- diversification across predominantly operational assets providing a sustainable long-term investment proposition, delivering stable income together with NAV resilience
- investing in established technologies, including wind and solar PV (which currently dominate new power capacity installations in the EU) providing
  - proven operational track record including predictable operating costs
  - future potential for incremental improvements in design, scale and efficiency
- focus on markets with a robust long-term energy demand outlook and a well-established political/regulatory commitment to renewables
- variability of weather patterns across Europe adds to diversification provided by exposure to wind and solar energy sources
- stability of revenues enhanced by contract with utility counterparties and/or state subsidies in the short-to-medium term with greater power price exposure in the long term

2.3 Investment Approach and Policy

(continued)

Investment Policy

In order to achieve its investment objective, the Company invests principally in operational assets which generate electricity from renewable energy sources, with a particular focus on onshore wind farms and solar PV parks.

Investments will be made principally by way of equity and shareholder loans which will generally provide for 100% or majority ownership of the assets by the holding entities. In circumstances where a minority equity interest is held in the relevant portfolio company, the holding entities will secure their respective shareholder rights (including voting rights) through shareholder agreements and other transaction documentation.

The Group aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of renewable energy technologies.

Limits

Investments will be focused in the UK and Northern European countries (including France, Ireland, Germany and Scandinavia) where the Directors, the Investment Manager and the Operations Manager believe there is a stable renewable energy framework. Not more than 50% of the portfolio value (calculated at the time of investment) may be invested in projects that are located in countries outside the UK.

Investments will be made in onshore wind farms and solar PV parks with the amount invested in other forms of energy technologies (or infrastructure that is complementary to, or supports the roll-out of, renewable energy generation) limited to 20% of the Portfolio Value, calculated at the time of investment. (See "Material Amendments" below for details of the proposed change to the Company's Investment Policy which, if approved by shareholders at the 2019 AGM, would result in offshore wind falling outside the 20% limit.)

In respect of investments in portfolio companies which have assets under development or construction (including the repowering of existing assets), the cost of works on such assets under development or construction (and not yet operational) to which portfolio companies are exposed may not in aggregate account for more than 15% of overall portfolio value, calculated at the time of investment or commitment.

The Company will not invest more than 15%, in aggregate, of the value of its total assets in other investment companies or investment trusts that are listed on the Official List maintained by the Financial Conduct Authority.

In order to ensure that the Group has a spread of investment risk, it is the Company's intention that no single asset will account for more than 20% of the portfolio value, calculated at the time of investment.

The Group may enter into borrowing facilities in the short term principally to finance acquisitions. Such short-term financing is limited to 30% of the portfolio value. It is intended that any facility used to finance acquisitions is likely to be repaid, in normal market conditions, within a year through further equity fund raisings.

Wind farms and Solar parks, typically with 25 year or longer assumed operating lives, held within portfolio companies generate long-term cash flows that can support longer term project finance debt. Such debt is non-recourse and typically is fully amortising over a 10 to 15-year period. There is an additional gearing limit in respect of such non-recourse debt of 50% of the gross portfolio value (being the total enterprise value of such portfolio companies), measured at the time the debt is drawn down or acquired as part of an investment. The Company may, in order to secure advantageous borrowing terms, secure a project finance facility over a group of portfolio companies.

Revenue

Generally, the Group will manage its revenue streams to moderate its revenue exposure to merchant power prices with appropriate use of power purchase agreements, Feed-in-Tariffs and green certificates.

Hedging

The Company may borrow in currencies other than Pounds Sterling as part of its currency hedging strategy. The Group may enter into hedging transactions in relation to currency, interest rates and power prices for the purposes of efficient portfolio management. The Group will not enter into derivative transactions for speculative purposes.

Cash Balances

When the Company is not fully invested and pending reinvestment or distribution of cash receipts, cash received by the Group will be held as cash, or invested in cash equivalents, near cash instruments or money market instruments.

Origination of Further Investments

Each of the investments comprising the portfolio complies with the Company's investment policy and further investments will only be acquired if they comply with the Company's investment policy. It is expected that further investments will include operational onshore wind and solar PV investments that have been originated and developed by Renewable Energy Systems Limited, the Company's Operations Manager. The Company will also review investment opportunities originated by third parties, including from investment funds managed or advised by the Investment Manager or its affiliates.

Pursuant to the First Offer Agreement, the Company has a contractual right of first offer, for so long as the Operations Manager remains the operations manager of the Company in respect of the acquisition of investments in projects of which the Operations Manager wishes to dispose and which are consistent with the Company's investment policy. It is envisaged that the Operations Manager will periodically make available for sale further interests in projects although there is no guarantee that this will be the case. Investment approvals in relation to any acquisitions of investments from the Operations Manager are made by the Investment Manager through the Investment Committee.

Furthermore, any proposed acquisition of assets by the Group from InfraRed Funds will be subject to detailed procedures and arrangements established to manage any potential conflicts of interest that may arise. In particular, any such acquisitions will be subject to approval by the Directors (who are all independent of the Investment Manager and the Operations Manager) and will also be subject to an independent private valuation in accordance with valuation parameters agreed between the InfraRed Funds and the Company.

A key part of the Company's investment policy is to acquire assets that have been originated by RES by exercising the Company's rights under the First Offer Agreement. As such, the Company will not seek the approval of Shareholders for acquisitions of assets from the Operations Manager or members of its group in the ordinary course of its Investment Policy. However, in the event that the Operations Manager is categorised as a substantial shareholder of the Company for the purposes of the Listing Rules (i.e. it holds 10 per cent. or more of the Company's issued share capital and for a period of 12 months after its shareholding first drops below this threshold), the related party requirements of Chapter 11 of the Listing Rules will apply to the acquisition of solar assets from the Operations Manager or any member of its group and accordingly the Company will seek Shareholder approval, as necessary, for such acquisitions. Further Investments will be subject to satisfactory due diligence and agreement on price which will be negotiated on an arm's length basis and on normal commercial terms. It is anticipated that any Further Investments will be acquired out of existing cash resources, borrowings, funds raised from the issue of new capital in the Company or a combination of the three.

Repowering

The Company has the opportunity to repower the sites in some of the projects in the investment portfolio. For these purposes, repowering will include the removal of substantially all of the old electricity generating equipment in relation to a project, and the construction of new electricity generating equipment excluding, for the avoidance of doubt, repair, maintenance and refurbishment of existing equipment. Where the Company determines to repower a project originally acquired from the Operations Manager, the Operations Manager has the first option to repower such assets in partnership with the Company, whilst the Company has the right to acquire the newly constructed assets on completion, subject to satisfactory due diligence and for a price determined in accordance with a preagreed valuation mechanism and on normal commercial terms. Repowering projects will be treated as development or construction activity which, when aggregated with the cost of works to assets under development or construction to which Portfolio Companies are exposed, may not in aggregate account for more than 15 per cent. of the Portfolio Value, calculated at the time of investment or commitment.

Material amendments

Material changes to the Company's investment policy may only be made in accordance with the approval of the Financial Conduct Authority and the Shareholders (by way of an ordinary resolution) and, for so long as the Ordinary Shares are listed on the Official List, in accordance with the Listing Rules. The investment limits detailed above apply at the time of the acquisition of the relevant investment. The Company will not be required to dispose of any investment or to rebalance its investment portfolio as a result of a change in the respective valuations of its assets. Non-material changes to the investment policy must be approved by the Board, taking into account advice from the Investment Manager and the Operations Manager, where appropriate.

As noted in the Chairman's Statement, the Board intends to seek Shareholder approval at the 2019 AGM to remove the application of the 20% limit on other technologies' to offshore wind.

Since TRIG's IPO in July 2013, there has been material development and maturation in the offshore wind farms and its operational track record. The Investment Manager is increasingly seeing investment opportunities in this sector which could provide suitable investment propositions for the Company if the Board and the Investment Manager consider the risk/reward profile appropriate. In addition, the scale of the Company has increased considerably since launch with its Portfolio Value increasing from £280m to in excess of £1.2bn at 31 December 2018 which enables the Company to accommodate more comfortably offshore projects (which are typically larger compared with onshore wind and solar) while maintaining appropriate diversification.

The Board is not proposing any change to the 20% limit which would, after the aforementioned change, be available for additional potential investment areas for the Company which may include other generating technologies outside of wind and solar PV or infrastructure that are complementary to or support the roll-out of renewable energy generation, such as back-up power generation, storage or demand-side response, where the Investment Manager is also seeing increased opportunities.

The proposed amendment will only be put to shareholders after the Company has obtained the Financial Conduct Authority's prior approval of the change in accordance with the Listing Rules. Further details of the background to and the reasons for the proposed change will be set out in the notice of the Annual General Meeting to be held on the 7th May 2019 which is expected to be dispatched to shareholders in late March 2019. Any amendment to the Company's investment policy pursuant to the proposed resolution at the 2019 AGM will be subject to shareholder approval and thereafter will be notified to Shareholders through a Regulatory Information Service as soon as practicable after the 2019 AGM.

2.4 Market Development

Portfolio Construction

TRIG's investment approach is based on accessing an expanding renewables market resulting from the long-term commitment of the UK and other countries to increase the supply of cleaner, more secure and sustainable energy. TRIG pursues this opportunity by managing and expanding a diversified portfolio of power generating assets across established technologies, and selected countries, giving exposure to different weather systems, regulations and electricity markets. This strategy of portfolio growth and diversification supports the long-term investment proposition of delivering stable dividends together with NAV resilience.

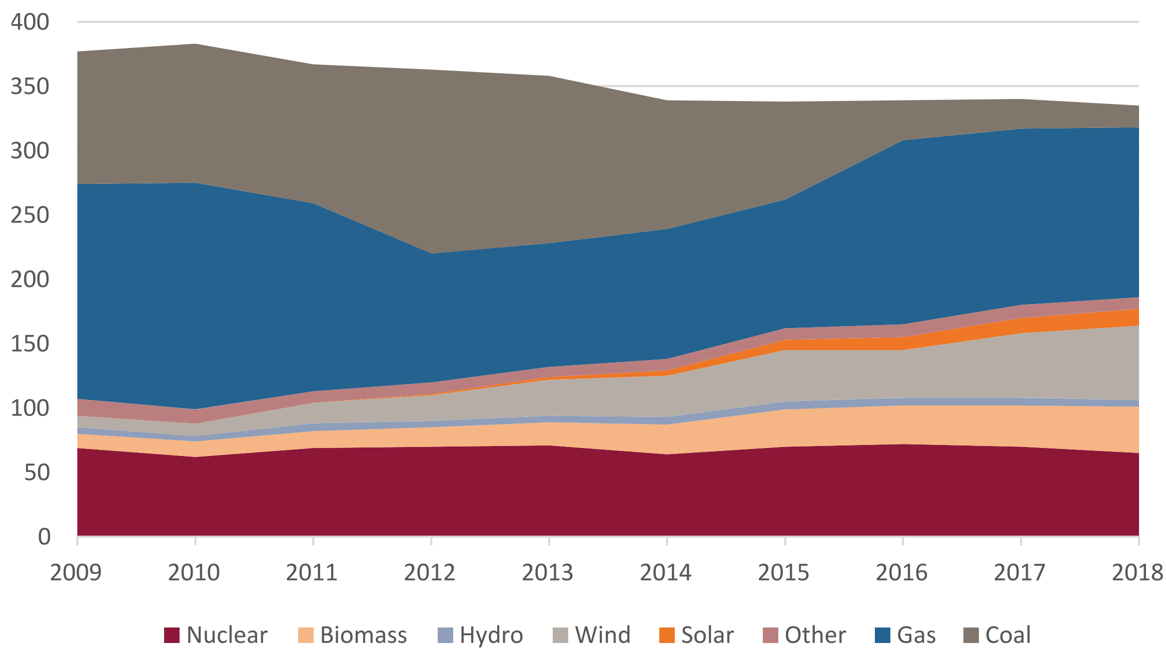
The Renewables Growth Opportunity

Delivering clean, secure and affordable energy to consumers is a key challenge for policy makers worldwide. Global targets to reduce the carbon intensity of final energy consumption is providing the momentum for the electrification of energy consumption (e.g. electric vehicles) and low/zero carbon electricity generation, especially from renewable sources.

The UN Climate Summit COP 24 concluded in December 2018, with the publication of a rulebook for the implementation of the Paris Agreement of 2015. This marks further progress towards the goal of a 55% reduction in global greenhouse gas emissions by 2030 in the attempt to limit temperature increases to the 1.5-degree target. In the European Union, agreement has been reached on a binding target of 32% of energy consumption to be met from renewable sources by 2030, and a 14% target of renewable sources in the transport sector.

Global electricity demand has doubled between 1990 and 2016 and is expected to grow at twice the pace of total energy demand over the next 25 years[1]. This will necessitate the development of significant renewable energy capacity around the world. This global energy transition is well under way in TRIG's key markets. In the UK, 33%[2] of power generated in 2018 came from renewable sources, with National Grid anticipating this figure eventually to reach between 49% to 66% in their latest Future Energy Scenarios. Although electricity demand reduced in 2018 by 1.2% due to more efficient consumption, electrification of transport and heating is expected to provide support for increased electricity demand in the medium term[3].

Annual electricity generation by source (TWh)[4]



1 International Energy Agency
2 Carbon Brief
3 National Grid FES 2019
4 Carbon Brief, BEIS, BM Reports, Sheffield Solar

The picture for renewables is similar within mainland Europe. In France 8% of electricity was generated by renewable sources (excluding hydro) in 2018, up from 4% just 6 years ago. This figure is expected to exceed 20% by 2025[5].

The situation for new developments in the UK is different from the rest of Europe. In the UK the current government's focus for new developments is almost exclusively in offshore wind. Previously commissioned onshore wind and solar capacity still owned by developers is expected to continue to provide deal flow for the Company for several years ahead, with subsidy-free onshore wind projects also beginning to come to market, with greater investment flows into offshore wind anticipated in the next few years in the UK.

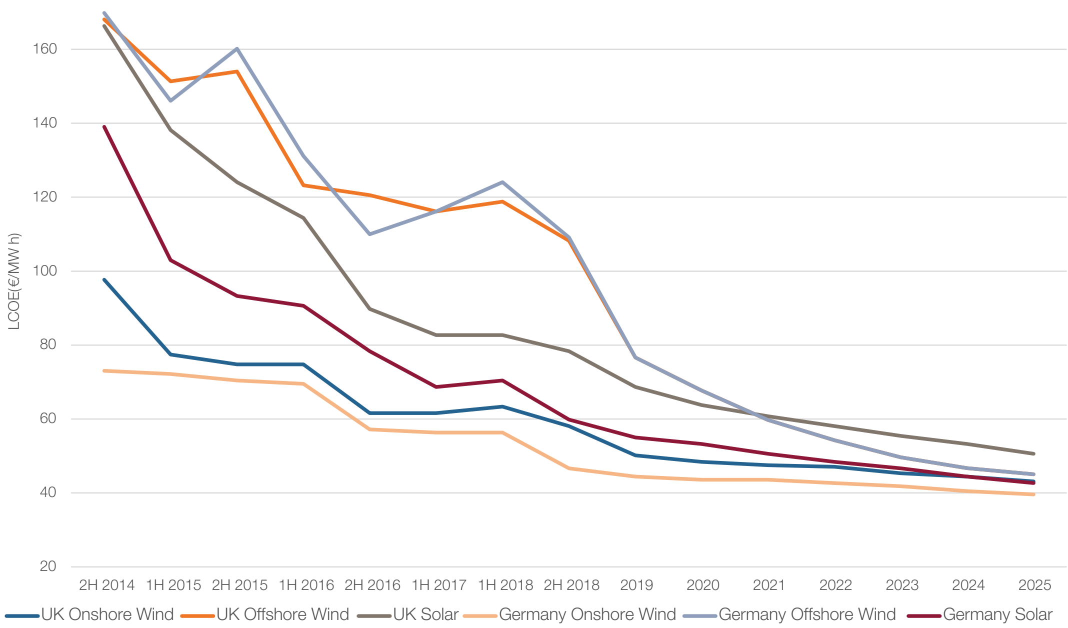
Significant Cost Declines

A key driver behind the historic growth in renewables and the acceleration expected to come has been the rapid decline in costs achieved by the industry. For example, over the last four years, the Levelised Cost of Electricity ('LCOE') for onshore wind has declined by an estimated 41% in the UK and 36% in Germany[6]. Similarly, for offshore wind, the UK and Germany has seen LCOE reduce by 36% over the same period, with solar reducing by more than 50%.

Improvements in technology with resulting increased energy yields will see this trend continue. Onshore wind has achieved, or is close to achieving, grid parity in parts of Northern Europe and solar in parts of Southern Europe, which are likely to lead to a greater emphasis on low or no subsidy developments.

This is a positive development enabling the renewable energy industry to continue to play a fundamental role in decarbonisation, ensuring its continued relevance within the energy mix and importance for policy matters.

The costs of renewable energy (LCOEs) have declined considerably and are expected to continue to do so[7]



5 Bloomberg New Energy Finance
6 Bloomberg New Energy Finance
7 Bloomberg New Energy Finance

2.4 Market Development

(continued)

Geographic Diversification

TRIG continues to increase the scale and geographic diversification of its portfolio, with most acquisitions this year being located outside of the UK.

Expanding TRIG's portfolio into select European countries where appropriately priced assets can be sourced is a key pillar of TRIG's strategy. This approach has been successful in avoiding reliance on singular markets at risk of scarcity premia. In addition, investments outside of the UK contribute towards the Company's diversification of weather systems, regulations and electricity markets, whilst offering mitigation against localised risks. There are also benefits for TRIG arising from the Managers' in-depth expertise of owning and running assets across TRIG's selected markets and economies of scale as the portfolio grows.

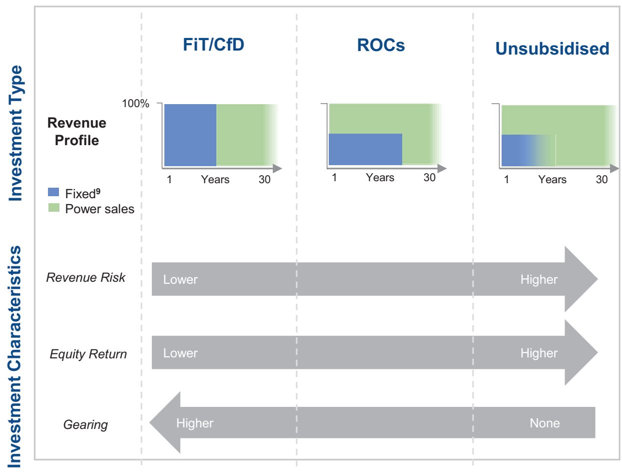
The Ersträsk Windfarm investment represents the Company's first investment in the Nordic region. The region represents a market of a very similar size to the UK market, with a strong renewable focus and sizeable onshore wind pipeline. The Managers will continue to examine other new markets in Europe including those where grid parity allows development of renewables without subsidies.[8, 10]

Diversification of Revenue Types and Portfolio Considerations

Investments in assets without subsidies offer scope for greater returns due to their greater exposure to wholesale power prices. Investment in assets with subsidy mechanisms which eliminate power price exposure for the duration of the subsidy (e.g. 15 year Feed-in-Tariff ("FiTs") or Contract-for-Difference ("CfDs")) offer lower returns. UK ROC assets offer a revenue risk somewhere between these two profiles, with both wholesale power price exposure and subsidy revenue within the subsidy period. Combining assets across the available range of revenue options can open a wider pool of investment opportunities (sectors and geographies) whilst retaining at the portfolio level attractive overall return expectations at similar overall revenue risk. This is shown as a simplified illustration below.

For example, during 2018 the Company has invested in a number of projects with FiT/CfD revenues (namely Clahane, Solwaybank, Montigny and Rosières) and also a larger project with mostly merchant revenues (Ersträsk) and maintained a similar sensitivity to movements in wholesale power prices at the portfolio level.

Range of Revenue Options within a balanced portfolio



- **FiT & CFD** contracts (UK, Ireland, or France) typically have subsidy revenues of 15 years then pay market revenues for the balance of a project's life
  Least revenue risk (early on), scope for highest gearing, lower early returns
- UK ROC projects have a mix of subsidy and market revenues for the first 20 years of a project's life
  Medium revenue risk, moderately geared, average returns
- **Unsubsidised** projects without subsidies may have hedging instruments or fixed price PPAs to mitigate power price exposure. Equity returns strongly correlate with revenue risk, with capital structure also reflecting overall risks
  Highest revenue risk (long term), least/no gearing, higher equity returns

8 Against a sensitivity of a Year 1 change in IRR for a 10% shift in the power price forecast
9 Fixed includes subsidies, hedges or fixed price PPAs
10 Assumed level of gearing 0-50%

The Development of Offshore Wind

The offshore wind sector continues to expand, especially in the UK and Germany. Since TRIG's IPO in 2013, offshore wind has grown from providing approximately 4% of the UK's total generation, to approximately 7% in 2018. It is estimated that this will double again to 16% by 2026[11], whilst accounting for approximately 50% of all wind output in the UK[12]. The Company successfully made its first investment in the offshore wind sector in December 2017 and the asset is performing well.

In Germany, offshore wind has grown to a capacity of 5.3GW and is expected to represent 5%[13] of total generation by 2020. Whilst in France, the latest government multiannual energy programme includes an offshore wind target of 5.2GW by 2030.

In recognition of the maturation of the offshore wind industry and its increasing relevance in TRIG markets, the Board intends to put to a proposal to shareholders at the forthcoming Annual General Meeting in May to amend the investment policy of the Company such that no distinction is made between offshore wind, onshore wind and solar. Accordingly, assuming shareholder approval is granted for the amendment, offshore wind will be no longer included in the investment limit of 20% of Portfolio Value in technologies other than onshore wind and solar PV.

The Opportunities in Storage and Flexible Generation

Storage and flexible generation look set to become increasingly important due to their ability to facilitate the greater integration of intermittent renewables in the grid systems. Storage at the right price points can also provide opportunities to improve energy yields and achieved power prices for renewables. A growing number of investment opportunities are expected going forwards.

In order to better understand the revenue opportunities for future energy storage applications, a series of trials are being run using the operational Broxburn project over the 2018/19 winter period. The objectives of the trials are to identify viable "traded" business models, where the revenue and value is obtained through buying and selling energy to profit from spreads and volatility in the wholesale and balancing energy markets. These trials are not relevant for Broxburn itself, as it has a long-term contract providing balancing services to the National Grid but is relevant to assessing other battery storage investment opportunities.

We continue to monitor the market space closely and, subject to the economics of individual projects, remain well placed to invest in further battery storage and potentially in flexible generation.

Regulatory Developments in the UK on Payment for Grids and Capacity Market Suspension

On the 28 November 2018 the UK energy regulator, Ofgem, announced a consultation on transmission charging by the National Grid. Ofgem is proposing to end the embedded benefits for generators connected to the distribution network by removing Balancing Services Use of System (BSUoS) payments from suppliers. These proposals would come into effect from April 2020 or 2021.

Ofgem has also indicated that there may be proposals to introduce fixed charges to recover some electricity network charges and removed discounts for some generators depending on location.

The outcome of the consultation is not known at this stage. However, the Managers do anticipate that embedded generators (that is, generators not connected to the main transmission network, approximately 60% of TRIG's portfolio) may lose certain "embedded" benefits, which have previously been in the range of £2-3/MWh. As a result, as at 31 December 2018, TRIG's valuation does not assume any such embedded benefits.

The Capacity Market mechanism was suspended due to a legal challenge questioning if due process was followed when EU state aid clearance was awarded. This does not currently impact renewables as the sector's intermittent generation profile means that it cannot offer firm power so does not participate in the mechanism.

11 Bloomberg New Energy Finance 2018 Outlook
12 Bloomberg New Energy Finance 2018 Outlook
13 Bloomberg New Energy Finance 2018 Outlook

InfraRed and RES teams visit the Clahane construction site in the Republic of Ireland

2.5 Portfolio

As at 31 December 2018, the TRIG portfolio comprised 62 investments in the UK, Republic of Ireland, France and Sweden comprising 33 wind projects, 28 solar PV projects and one battery storage project.[1]

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[1,2]	Equipment
Onshore wind farms					
Roos	GB (England)	100%	17.1	2013	Vestas (1.9)
Grange	GB (England)	100%	14.0	2013	Vestas (2.0)
Tallentire	GB (England)	100%	12.0	2013	Vestas (2.0)
Garreg Lwyd	GB (Wales)	100%	34.0	2017	Vestas (2.0)
Crystal Rig 2	GB (Scotland)	49%	67.6	2010	Siemens (2.3)
Hill of Towie	GB (Scotland)	100%	48.3	2012	Siemens (2.3)
Mid Hill	GB (Scotland)	49%	37.2	2014	Siemens (2.3)
Paul's Hill	GB (Scotland)	49%	31.6	2006	Siemens (2.3)
Crystal Rig 1	GB (Scotland)	49%	30.6	2003	Nordex (2.5)
Solwaybank	GB (Scotland)	100%	30.0	2020	Senvion (2.1)
Green Hill	GB (Scotland)	100%	28.0	2012	Vestas (2.0)
Rothes 1	GB (Scotland)	49%	24.8	2005	Siemens (2.3)
Freasdail	GB (Scotland)	100%	22.6	2017	Senvion (2.1)
Rothes 2	GB (Scotland)	49%	20.3	2013	Siemens (2.3)
Earlseat	GB (Scotland)	100%	16.0	2014	Vestas (2.0)
Meikle Carewe	GB (Scotland)	100%	10.2	2013	Gamesa (0.85)
Neilston	GB (Scotland)	100%	10.0	2017	Nordex (2.5)
Forss	GB (Scotland)	100%	7.5	2003	Siemens (1.0-1.3)
Altahullion	SEM (N. Ireland)	100%	37.7	2003	Siemens (1.3)
Lendrum's Bridge	SEM (N. Ireland)	100%	13.2	2000	Vestas (0.7)
Lough Hill	SEM (N. Ireland)	100%	7.8	2007	Siemens (1.3)
Clahane	SEM (Rep. of Ireland)	100%	55.0	2008	Enercon (2.05)
Taurbeg	SEM (Rep. of Ireland)	100%	25.3	2006	Siemens (2.3)
Milane Hill	SEM (Rep. of Ireland)	100%	5.9	2000	Vestas (0.7)
Beennageeha	SEM (Rep. of Ireland)	100%	4.0	2000	Vestas (0.7)
Haut Languedoc	France (South)	100%	29.9	2006	Siemens (1.3)
Haut Cabardes	France (South)	100%	20.8	2006	Siemens (1.3)
Cuxac Cabardes	France (South)	100%	12.0	2006	Vestas (2.0)
Roussas–Claves	France (South)	100%	10.5	2006	Vestas (1.8)
Rosières	France (North)	100%	17.6	2018	Vestas (2.35-4.0)
Montigny	France (North)	100%	14.2	2018	Vestas (2.0-2.2)
Ersträsk	Sweden	75%	171.8	2019/2020	Enercon (2.3-4.0)
Total onshore wind at 31 December 2018			**887.5**		
Offshore wind					
Sheringham Shoal		14.7%	46.6	2012	Siemens (3.6)

2.5 Portfolio

(continued)

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[1,2]	Equipment
Solar Photovoltaic Parks					
Parley Court	GB (England)	100%	24.2	2014	ReneSola
Egmere Airfield	GB (England)	100%	21.2	2014	ReneSola
Stour Fields	GB (England)	100%	18.7	2014	Hanwha SolarOne
Tamar Heights	GB (England)	100%	11.8	2014	Hanwha SolarOne
Penare Farm	GB (England)	100%	11.1	2014	ReneSola
Four Burrows	GB (England)	100%	7.2	2015	ReneSola
Parsonage	GB (England)	100%	7.0	2013	Canadian Solar
Churchtown	GB (England)	100%	5.0	2011	Canadian Solar
East Langford	GB (England)	100%	5.0	2011	Canadian Solar
Manor Farm	GB (England)	100%	5.0	2011	Canadian Solar
Marvel Farms	GB (England)	100%	5.0	2011	LDK/Hanwha Q Cells
Midi	France (South)	51%	6.1	2012	Sunpower
Plateau	France (South)	49%	5.8	2012	Sunpower
Puits Castan	France (South)	100%	5.0	2011	Fonroche
Chateau	France (South)	49%	1.9	2012	Sharp
Broussan	France (South)	49%	1.0	2012	Sharp
Pascialone	France (Corsica)	49%	2.2	2011	CSUN
Olmo 2	France (Corsica)	49%	2.0	2011	CSUN
Santa Lucia	France (Corsica)	49%	1.7	2011	CSUN
Borgo	France (Corsica)	49%	0.9	2011	Suntech
Agrinergie 1 & 3	France (Réunion)	49%	1.4	2011	Suntech/CSUN
Chemin Canal	France (Réunion)	49%	1.3	2011	CSUN
Ligne des 400	France (Réunion)	49%	1.3	2011	Canadian Solar
Agrisol	France (Réunion)	49%	0.8	2011	Sunpower
Agrinergie 5	France (Réunion)	49%	0.7	2011	Sunpower
Logistisud	France (Réunion)	49%	0.6	2010	Sunpower
Sainte Marguerite	France (Guadeloupe)	49%	1.2	2011	Sunpower
Marie Galante	France (Guadeloupe)	49%	1.0	2010	GE
Total Solar PV at 31 December 2018			**156.1**		
Battery Storage					
Broxburn	GB (Scotland)	100%	20.0	2018	Samsung (SMA)
Total Portfolio at 31 December 2018[4]			**1,110.2 MW**		
Operating assets			**908.4 MW**		
Construction assets[3]			**30.0MW**		
Contracted to acquire[4]			**171.8MW**		
Total Portfolio at 31 December 2018[5]			**1,110.2MW**		

1 Where a project has been commissioned in stages, this refers to the earliest commissioning date. When a project is in construction, this refers to the expected commissioning date.

2 MW per turbine shown for wind assets in brackets.

3 Solwaybank is under construction.

4 TRIG has contracted to acquire Phase 2 of the Ersträsk wind farm in Sweden once operational. Payments on completion of phases. Phase 1 completed in Q1 2019, Phase 2 due for completion in Q1 2020.

5 Including investment commitments in Ersträsk and Solwaybank that TRIG is contracted to acquire at 31 December 2018.

Portfolio Diversification

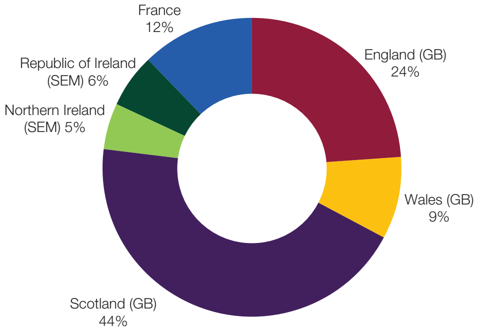
The TRIG portfolio benefits from being diversified across multiple jurisdictions, power markets and generating technologies providing multiple revenue contract and/or subsidy sources, as well as a variety of geographic areas with differing meteorological conditions (affecting wind speeds and solar irradiation applicable to each of TRIG's projects) and regulations. This is illustrated in the segmentation analysis below, which is presented by project value as at 31 December 2018.

The graphs below include all assets on a fully invested basis, including Ersträsk and Solwaybank, the acquisition structures are explained further on page 31.

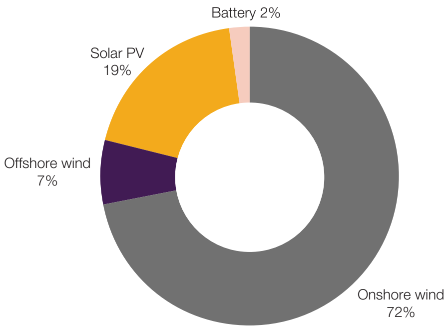
Portfolio as at 31 December 2018 on an invested basis

Based on the portfolio on an invested basis, i.e. excludes investment commitments in Solwaybank and Ersträsk.

By Country / Power Market[1]



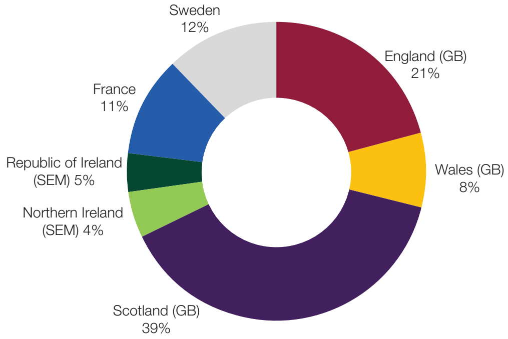
By Technology[2]



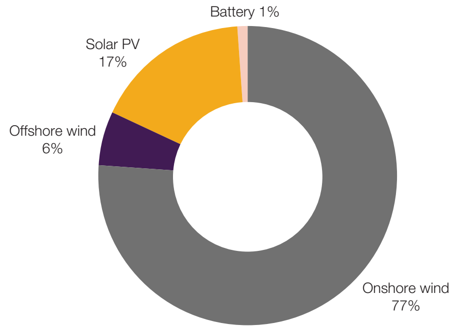
Portfolio as at 31 December 2018 on a committed basis

Based on the portfolio on an committed basis, i.e. including investment commitments in Solwaybank and Ersträsk.

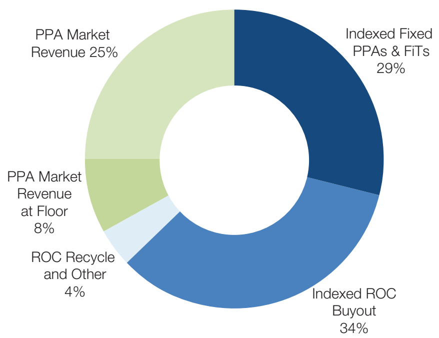
By Country Committed[1]



By Technology Committed[2]



By Project Revenue

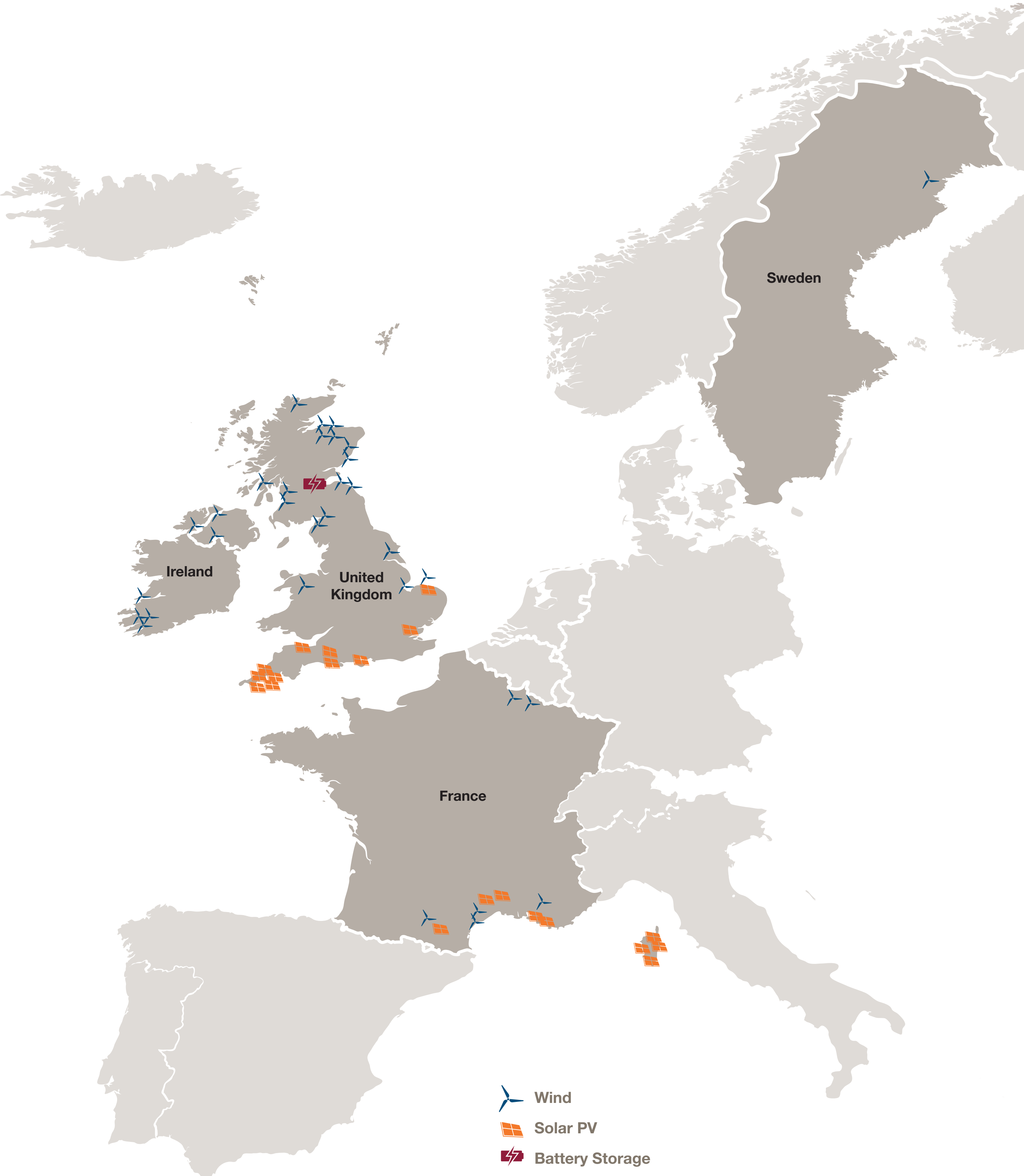


1. Assets under construction are included in the diagrams above on a fully committed basis and therefore include construction costs.
2. Northern Ireland and the Republic of Ireland form a Single Electricity Market, distinct from that operating in Great Britain.

2.5 Portfolio

(continued)

Map of TRIG's Projects



United Kingdom

Wind

Altahullion
Crystal Rig I & II
Earlseat
Forss
Freasdail
Garreg Lwyd
Grange
Green Hill
Hill of Towie
Lendrums Bridge
Lough Hill
Meikle Carewe
Mid Hill
Neilston
Paul's Hill
Roos
Rothes I & II
Sheringham Shoal
Solwaybank
Tallentire

Solar

Churchtown
East Langford
Egmere Airfield
Four Burrows
Manor Farm
Marvel Farms
Parley Court
Parsonage
Penare Farm
Stour Fields
Tamar Heights

Barrery Storage

Broxburn

Republic of Ireland

Wind

Beennageeha
Clahane
Milane Hill
Taurbeg

Sweden

Wind

Ersträsk

France

Wind

Cuxac Cabardes
Haut Cabardes
Haut Languedoc
Montigny
Rosièrs
Roussas-Claves

Solar

Borgo
Broussan
Château
Midi
Olmo 2
Pascialone
Plateau
Puits Castan
Santa Lucia

French Overseas Departments

Guadeloupe

Solar

Marie Galante
Sainte Marguerite

La Réunion

Solar

Agrinergie 1 & 3
Agrinergie 5
Agrisol
Chemin Canal
Ligne des 400
Logistisud

2.5 Portfolio

(continued)

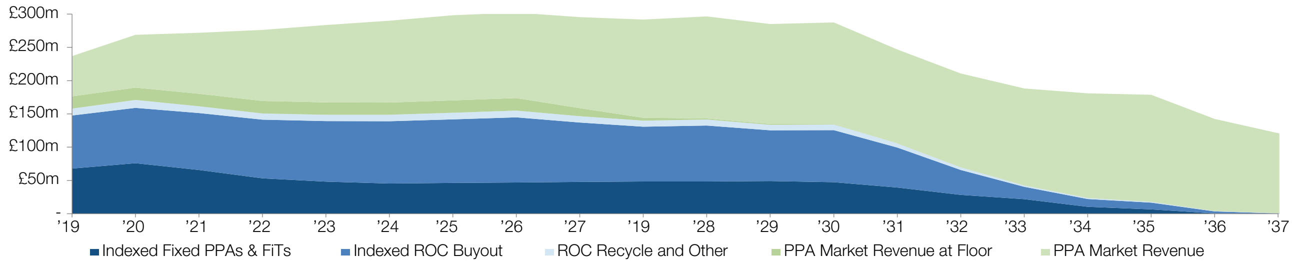
Revenue Profile

TRIG has the benefit of being diversified across four separate power markets: Great Britain, the Integrated Single Electricity Market (of The Republic of Ireland and Northern Ireland), France (which sits within the main continental European power market) and Sweden (which sits in the Nordic electricity market).

The TRIG portfolio has substantial near-term protection in cash revenues from movements in wholesale power prices as the portfolio receives a high proportion of its revenue from selling electricity generated via Power Purchase Agreements ("PPAs") with fixed prices and from government subsidies such as Feed-in-Tariffs ("FiTs"), Contract for Differences ("CfDs"), Renewable Obligation Certificates ("ROCs") or other hedges.

In the longer term, TRIG, based on its current portfolio, is expected to have greater exposure to future wholesale electricity prices as subsidies and contracts with pre-determined pricing run-off. As existing fixed-price contracts expire, the replacement contracts may also have fixed-price elements, decreasing the merchant proportion shown below.

Illustration of the split of Project Revenues by Contract Type for the Portfolio (nominal)[1]



1 This chart includes revenues from the 31 December 2018 portfolio including Ersträsk which was an investment commitment at year end. This chart assumes assets in construction (Ersträsk and Solwaybank wind farms) will commence generation in accordance with their build programmes.

Acquisitions

In 2018 the Group entered into commitments to acquire five wind farms, totalling £348.0m. The group made investments in the year of £143.4m and has further commitments of £204.6m relating to the Solwaybank wind farm (in construction) and the Ersträsk wind farm (also in construction although the Group's investment commitment is only payable as phases are successfully completed). These further payments are mainly due over 2019 and early 2020.

Acquisitions made during the year

Date Acquired	Project	Net Capacity (MW)	Subsidy	Vendor/ Developer	Completion date for construction assets	Location
January 2018	Clahane	41.2+13.8 extension	FITs	Private individuals	Extension completed Q3 2018	Republic of Ireland
May 2018	Rosières	17.6	CfD/FiTs	RES	Completed Q4 2018	France
	Montigny	14.2	CfD	RES	Completed Q4 2018	France
June 2018	Solwaybank	30.0	CfD	RES	Due to complete Q1 2020	Scotland
December 2018	Ersträsk	171.8[1]	Green Certificates[1]	Enercon	Phase 1 complete Q1 2019, Phase 2 due to complete Q1 2020	Sweden

1 Not forecast to be material to total revenues.

Total Annual Commitments

	Investments in 2018 (£'m)		
Project	Cash Invested in 2018	Future Commitments	Total
Clahane	64.4	–	64.4
Rosières	16.0	–	16.0
Montigny	13.0	–	13.0
Solwaybank	48.8	33.0	81.8
Ersträsk[1]	–	171.6[2]	171.6
Other	1.2	–	1.2
TOTAL	**143.4**	**204.6**	**348.0**

1 Representing TRIG's 75% equity share in this 229.1MW windfarm.

2 Payments on completion of phases. Phase 1 completed in Q1 2019, phase 2 due for completion in Q1 2020.

During 2018 TRIG completed the construction of Broxburn battery storage facility, as well as the extension of Clahane and the wind farms Rosières and Montigny in France. The construction of Solwaybank is progressing well.

By acquiring assets at an earlier stage in their development, TRIG has been able to access improved returns and enhanced deal flow. Moreover, TRIG has been able to seek value by capitalising on its Managers' expertise in the construction process: InfraRed as greenfield investor across its unlisted vehicles and RES as a developer and/or constructor of over 16GW of renewable assets globally.

At the year end, 6% of TRIG's portfolio by value was allocated to investments in construction assets, against an investment policy limit of 15% (2017: 2%).

In December 2018, TRIG announced that it had committed to acquire a 75% interest in Ersträsk, a 229.1MW onshore wind farm near Piteå in Northern Sweden. Ersträsk is being constructed in two phases: Phase 1 (61.1MW) was completed in February 2019 and Phase 2 is due for completion in Q1 2020. Although this asset is currently under construction, TRIG is assuming no construction risk because it pays the vendor only as each phase is successfully completed and commences its operations. Payment in respect of Phase 1 was made in February 2019. Ersträsk is an important transaction for TRIG, as well as being its first asset in the Nordic market, it will also be TRIG's largest investment when completed with a net 171.8MW capacity. As an asset with largely merchant power price exposure, it fits well in the wider portfolio, alongside the projects acquired earlier in the year which have contracted FiT and CfD revenues.

Over 2018, TRIG's exposure to assets outside of the UK has increased from 18% to 28% of the portfolio valuation. This has had the desirable effect of increasing portfolio diversification and optimising the quality of TRIG's cash flows for any given risk, notably power price, weather and regulatory risks. There continues to be muted deal flow in the solar sector throughout TRIG's target market, so the Manager has addressed a reducing sector diversification with a greater geographical spread.

2.5 Portfolio

(continued)

Ten Largest Investments

Set out below are the ten largest investments in the portfolio. As at 31 December 2018, the largest investment (Garreg Lwyd) accounted for approximately 9% of the portfolio by value. In total, the 10 largest projects accounted for approximately 51% of the project portfolio by value (2017: 52%).

	Ten Largest Investments – Invested to date basis			
Project	**Location**	**Type**	**% of portfolio by value at 31 December 2018**	**% of portfolio by value at 31 December 2017[1]**
Garreg Lwyd	Wales	Onshore wind	9%	10%
Crystal Rig II	Scotland	Onshore wind	8%	8%
Sheringham Shoal	England	Offshore Wind	7%	7%
Mid Hill	Scotland	Onshore wind	5%	4%
Clahane	Ireland	Onshore wind	5%	–
Hill of Towie	Scotland	Onshore wind	4%	4%
Solwaybank	Scotland	Onshore wind	4%	–
Green Hill	Scotland	Onshore wind	3%	4%
Rothes II	Scotland	Onshore wind	3%	3%
Altahullion	N. Ireland	Onshore wind	3%	3%
December 2018 largest ten investments			**51%**	**45%**
Parley	England	Solar PV		3%
Earlseat	Scotland	Onshore wind		3%
December 2017 largest ten investments				**52%**

At 31 December 2018 the Group had two projects with investment commitments outstanding, being the Solwaybank wind farm in Scotland and the Ersträsk wind farm in Sweden. These commitments are due as construction is completed over 2019 and 2020. Once these two projects are fully invested based on the valuation at 31 December 2018, the ten largest investments would be as follows:

	Ten Largest Investments – Committed Investment basis		
Project	**Location**	**Type**	**% of project portfolio by value at 31 December 2018[1]**
Ersträsk	Sweden	Onshore wind	12%
Garreg Lwyd	Wales	Onshore wind	8%
Crystal Rig II	Scotland	Onshore wind	7%
Sheringham Shoal	England	Offshore Wind	6%
Solwaybank	Scotland	Onshore wind	5%
Mid Hill	Scotland	Onshore wind	5%
Clahane	Ireland	Onshore wind	5%
Hill of Towie	Scotland	Onshore wind	3%
Green Hill	Scotland	Onshore wind	3%
Rothes II	Scotland	Onshore wind	3%
December 2018 ten largest investments			**55%**

1 Columns may not sum due to rounding differences.

2.6 Operational Review

Key Performance Indicators

The Company sets out below its Key Performance Indicators ("KPIs") which it utilises to track its performance over time against its objectives.

Operational KPIs

KPI	(Year to) 31 December 2018	(Year to) 31 December 2017	(Year to) 31 December 2016	(Year to) 31 December 2015	(Year to) 31 December 2014	(Part year[2] to) 31 December 2013
Largest single investment as % of portfolio by value	9%[1]	10%	11%	12%	10%	16%
Largest ten investments as % of portfolio by value	51%	52%	52%	56%	65%	79%
Operating history (portfolio weighted average)	5.4 years	5.7 years	6.7 years	5.9 years	5.0 years	5.5 years
Electricity Production *% increase*	2,011GWh *+14%*	1,766GWh *+20%*	1,469GWh *+9%*	1,344GWh *+65%*	814GWh *+136%*	345GWh (since 1 August 2013)
Average Revenue per MWh	£105.63/MWh	£92.44/MWh	£82.83/MWh	£78.63/MWh	£84.43/MWh	£84.92/MWh

1 On an invested basis Garreg Lwyd is TRIG's largest investment at 9%. On a committed basis TRIG's largest investment is Ersträsk which will be 12% of TRIG's portfolio once fully invested.

2 For 2013, data is derived from the period from IPO on 29 July 2013 to 31 December 2013 unless otherwise stated.

TRIG Portfolio Update

Total portfolio achieved price for 2018 was £105.63MWh, up 14% from £92.44/MWh for 2017. Excluding the new additions to the portfolio in 2018, the like-for-like achieved portfolio price is 10.3% higher than 2017 at £102.02/MWh. Revenue per MWh includes electricity, payments under subsidy regimes, payments for grid services and embedded benefits.

The increase in power price achieved was predominantly driven by two main factors: firstly, the addition of Sheringham Shoal offshore wind farm, which receives two ROCs / MWh, which together with electricity sales equated to £153.88/MWh and accounts for 8% of the portfolio by generation, and secondly, higher captured power prices, which were 14% higher than in 2017 for the UK and Ireland.

The assets with the greatest exposure to short term day-ahead electricity prices saw the greatest uplift in price relative to 2017.

Operating lives

The Company considers asset lives on an asset-by-asset basis taking into account technical advice on the structural durability of the asset in question, maintenance costs and asset down-time. The likelihood of obtaining planning and lease extensions is also considered. The forecast value of power generated further into the future is impacted by expectations that there will be increased "cannibalisation" – this is the power price capture rates for renewables as an intermittent generator which advisers anticipate will reduce over time compared to base-load prices due to the anticipated increase in low marginal-cost renewables generation.

At IPO in 2013, the assumed operating life of the assets averaged 25 years and has been revisited periodically. Assumptions adopted in the year-end valuation typically range from 25 to 30 years from the date of commissioning, with an average 26 years for the wind portfolio and 30 years for solar portfolio. The overall average across the portfolio as at 31 December 2018 was 27 years (31 December 2017: 27 years).

The Operations Manager is currently undertaking a detailed technical review of these assumptions to consider if longer lives should be assumed. Whilst increases will not be appropriate in all cases, an increase of between 2 and 3 years on average across the portfolio is being considered. A sensitivity on the increase in asset lives is given at page 40 and indicates that an increase in asset life of one year would increase the portfolio valuation by the equivalent of c.1.1p per share (ie an increase to NAV per share of 2-3p, absent other movements). As discussed in the Chairman's report, the Company anticipates confirming the results of this review once it is concluded.

2.6 Operational Review

(continued)

Portfolio Generation

In 2018 the TRIG portfolio generated 2,011GWh of electricity, including compensated curtailment. Overall TRIG's generation was 3.7% below budget. Generation has increased by 14% compared to 2017, driven by the enlarged generating capacity of the portfolio and strong operational performance.

Wind: UK and Ireland production was down 4% compared to budget, where winds were below expectations. The Scottish sites (TRIG's largest regional portfolio) performed well and was 3% below budget which helped mitigate against larger production shortfalls at the English and Welsh sites of 7% and 5% respectively, where wind resource was below long-term average. Several proactive major component replacements and repairs took place during the low wind period in the Summer including a yaw ring exchange at Altahullion and blade replacements at Lendrum's Bridge, which had a modest impact on production. Compared to 2017, production in the UK & Ireland wind portfolio grew by 17% following a full year's production at Garreg Lwyd, Freasdail and Neilston along with the acquisition of Clahane wind farm in Ireland and the interest in Sheringham Shoal offshore wind farm. The French wind sites were similarly impacted by below long-term average wind resource and ended the year 5% below budgeted generation.

Solar and Storage: Production at TRIG's solar sites exceeded budget by 5% following a year of good solar irradiation and excellent operating performance. The UK solar sites continued to show a marked improvement following RES' appointment as operation and maintenance contractor across the UK portfolio. Production at the UK sites was at its highest level since operations began at 8% above budget following excellent availability during a sunny English Summer. The French solar portfolio recovered well after storm damage impacted some sites' ability to generate in the first half of 2018 and ended the year at 5% below budget. Broxburn is performing well with availability in line with budget.

The following table sets out the energy production performance of TRIG's portfolio by category for the year against the respective P50 central estimates:

TRIG's Portfolio – Analysis of Production

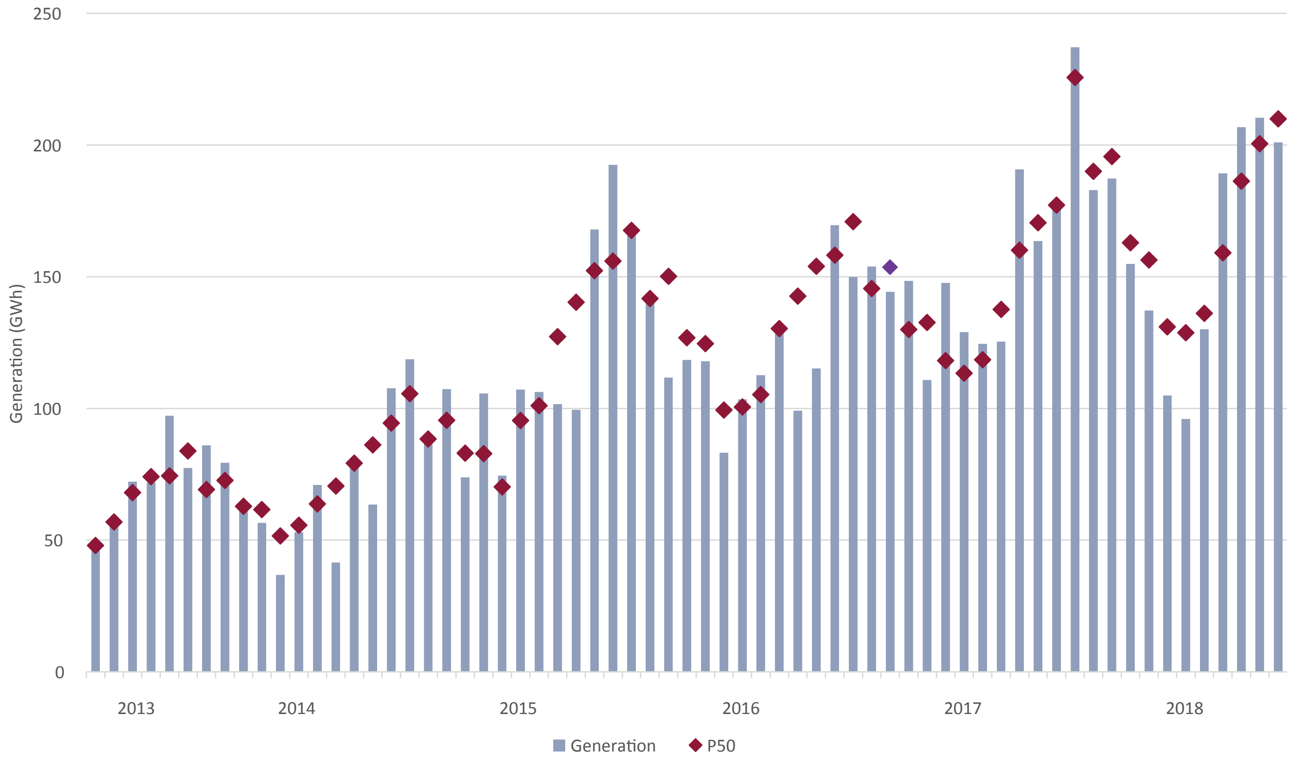
Technology	Region	Electricity production (GWh) 2018	Performance vs. P50 estimates 2018	Performance vs. P50 estimates 2017	Electricity production (GWh) since IPO	Generating capacity (MW) Dec 2018
Wind	UK & Ireland	1,622	-4.4%	+3.7%	5,879	627
	France	211	-4.8%	+0.4%	1,165	105
Solar PV	UK & France	178	+4.5%	-5.1%	706	156
Storage	UK	N/A	N/A	N/A	N/A	20
Total portfolio		**2,011**	**-3.7%**	**+2.5%**	**7,756**	**908[1]**

1. Excludes Solwaybank (30MW) which is under construction and Ersträsk (172MW).

Weather Analysis

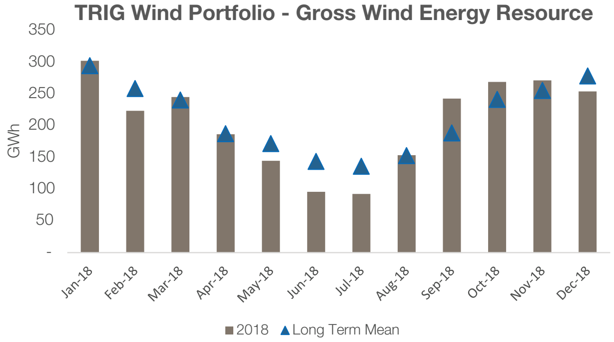
The graph below shows monthly production against P50 budget since IPO. While there is some variance from month to month and year to year, performance during 2018 remains within long-term expectations. The geographical and technological diversity of the TRIG portfolio has provided good resilience to varying weather conditions, with total production in line with budget since IPO.

Monthly generation against P50 budget since IPO

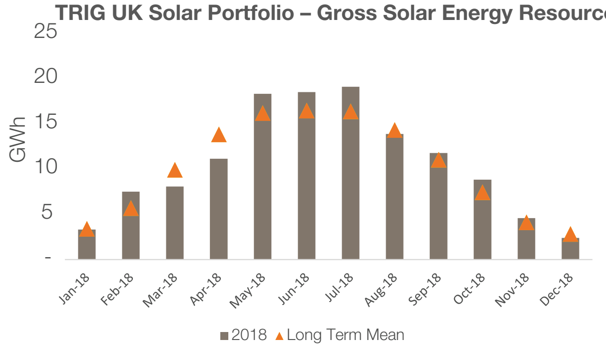


The graphs below show monthly percentage variances of wind and solar resource against the long-term average resource available to TRIG's operating portfolio.

TRIG Wind Portfolio - Gross Wind Energy Resource



TRIG UK Solar Portfolio – Gross Solar Energy Resource

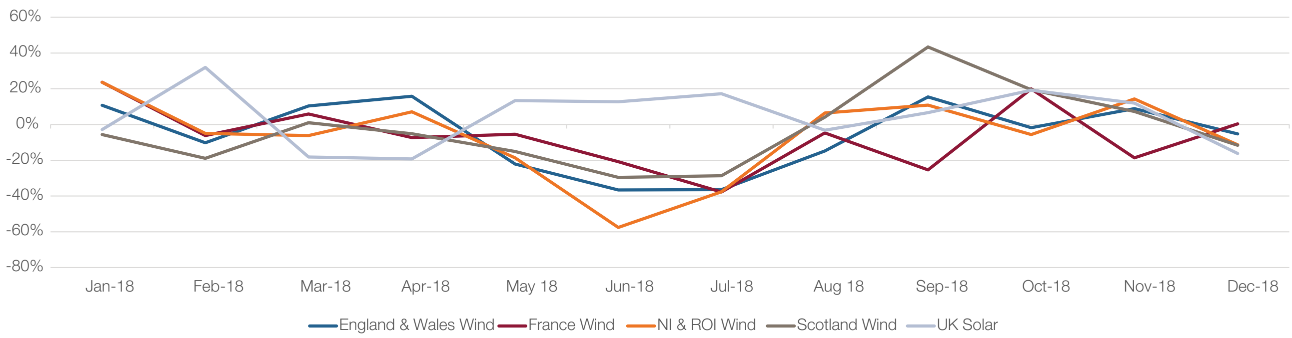


TRIG's wind portfolio experienced lower-than-expected wind resource most notably in May to July which was partially offset by higher-than-expected wind resource in January and September to November. Overall, wind resource across the portfolio was 3% below the long-term average. The UK and Ireland experienced winds 3% below the long-term average, whilst wind in France was 5% below the long-term average. TRIG's UK solar portfolio experienced a particularly sunny May to July relative to the long-term average to end the year 5% above the long-term average. Once again, we see UK solar broadly inversely correlated to wind.

2.6 Operational Review

(continued)

Wind/ Solar Resource variation with respect to the Long-Term Mean[1]



1 RES

Operational Enhancements

RES, as Operations manager, continues to develop and implement innovative ways to enhance the value of the TRIG portfolio. A holistic approach is applied to both commercial and technical aspects of the projects to enhance the value of the portfolio, which in 2018 included:

- the early termination of Feed-in-Tariff ("FiT") PPAs for two French wind projects, which were then replaced with higher value market-priced contracts, with a positive NAV impact of £1.5m;
- utilising strategic spares to perform managed replacement of components showing early signs of failure, reducing costs for parts, labour and downtime, as well as allowing some components to be refurbished for future re-use;
- uprating a turbine at the Forss windfarm, which had previously been curtailed due to a grid constraint, improving NAV by £0.4m; and
- actively managing TRIG's exposure to wholesale electricity prices on certain UK wind and solar projects via the forward contracts within an innovative structure via a high-quality supplier.

In addition, trials are being run on Broxburn to better understand the value potential from different revenue streams for storage projects in GB. Opportunities for adding storage to existing wind and solar projects in the portfolio are also being actively appraised.

The TRIG portfolio continues to benefit from RES' extensive experience in operating renewable projects. Together with condition monitoring services, which is utilised to detect and proactively address potential problems prior to failure, RES also performs major component replacement works for TRIG in those instances that they provide the most cost-effective solution. One example of works completed by RES was the successful yaw ring replacement – which turns the nacelle and blades into the wind – on a 15-year old Siemens 1.3MW turbine, which involved the removal of the rotor, blades and nacelle and a rebuild of the turbine. By working closely with the asset management team, this pre-emptive replacement was conducted safely and minimised the downtime and associated lost production.

Since August 2016, RES has delivered combined asset management and operations and maintenance services to eleven of the UK solar sites, a number of which required an extensive programme of works to improve the performance and long-term health of the plant, which was funded by bond receipts. As a result of the progress on the works, the UK solar portfolio experienced its highest generating year since ownership and its highest availability year, at 8% above budget.

2.7 Valuation of the Group's Portfolio

Introduction

The Investment Manager is responsible for carrying out the fair market valuation of the Group's investments which is presented to the Directors for their approval and adoption. A valuation is carried out on a six-monthly basis as at 31 December and 30 June each year.

For non-market traded investments (being all the investments in the current portfolio), the valuation is based on a discounted cash flow methodology and adjusted in accordance with the European Venture Capital Associations' valuation guidelines where appropriate to comply with IFRS 13 and IFRS 9, given the special nature of infrastructure investments. Where an investment is traded, a market quote is used.

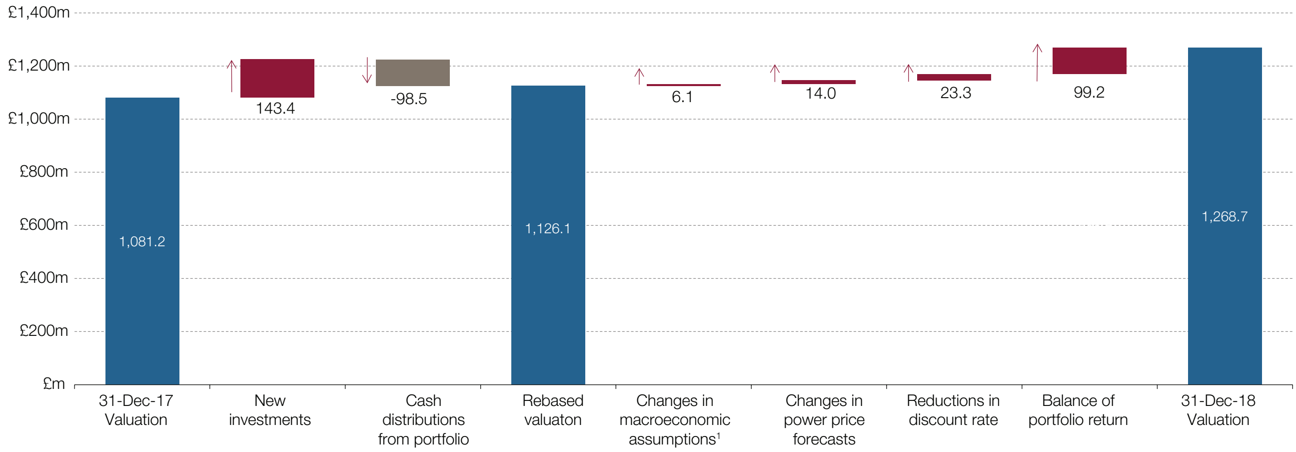
The valuation for each investment in the portfolio is derived from the application of an appropriate discount rate to reflect the perceived risk to the investment's future cash flows to give the present value of those cash flows. The Investment Manager exercises its judgment in assessing both the expected future cash flows from each investment based on the project's expected life and the financial models produced by each project company and the appropriate discount rate to apply. This methodology has not changed since the inception of the Company.

The Directors' Valuation of the portfolio as at 31 December 2018 was £1,268.7m. This valuation compares to £1,081.2m as at 31 December 2017 and £1,206.5m at 30 June 2018.

Valuation Movements

A breakdown of the movement in the Directors' valuation in the year is illustrated in the chart and set out in the table below.

Valuation movement in the year to 31 December 2018



1. Change in macroeconomic assumptions includes: changes in inflation assumptions and movements in foreign exchange.

2.7 Valuation of the Group's Portfolio

(continued)

Valuation movement during the year to 31 December 2018	£'m	£'m
Valuation at 31 December 2017		**1,081.2**
New investments in the year	143.4	
Cash distributions from portfolio	(98.5)	
Rebased valuation of portfolio		**1,126.1**
Changes in macroeconomic assumptions[1]	6.1	
Changes in forecast power prices	14.0	
Reductions in valuation discount rates	23.3	
Balance of portfolio return	99.2	
Valuation at 31 December 2018		**1,268.7**

1. This comprises a £2.5m gain attributable to changes in inflation assumptions and a £3.6m foreign exchange gain (the net gain for the Company was £2.7m after the impact of foreign exchange hedges held at Company level).

The opening valuation at 31 December 2017 was £1,081.2m. Allowing for investments of £143.4m and cash receipts from investments of £98.5m, the rebased valuation is £1,126.1m.

Investments of £143.4m in the year comprise the following:

- a £64.4m investment in Clahane wind farm;
- a £48.8m investment in the Solwaybank wind farm (with approximately £33m remaining to be invested as the project is built out);
- a £29.0m investment in the Rosières and Montigny wind farms;
- a £0.8m follow-on investment in the TRIG/ Akuo holding company to enable it to buy out the final minority investor in the Marie Galante Solar park in Guadeloupe; and
- a £0.4m of performance related payments to vendors of existing investments.

Each movement between the rebased valuation of £1,126.1m and the 31 December 2018 valuation of £1,268.7m is considered in turn below:

(i) Changes in macroeconomic assumptions:

Inflation assumptions: Long-term inflation assumptions remain unchanged. The short-term level of inflation that has been applied to expected UK ROC revenues has been increased from 2.9% to 3.2% in 2019 and 3.0% in 2020 reflecting current higher than trend domestic inflation before reverting to the long-term assumption of 2.75%. The level of inflation that has been applied to project income and costs in France and Ireland has been amended to 1.75% for 2019 and 2020 (previously 1.75% in 2019 only) reflecting current lower than trend EU inflation before reverting to the long-term assumption of 2.0%. The combined impact of the changes in inflation assumptions adopted has been to increase the valuation by £2.5m.

Foreign exchange: Weakening of sterling in the second half of the year versus the euro has led to a net £3.6m valuation gain on foreign exchange in relation to the euro-denominated investments located in France and the Republic of Ireland, which reduces to a £2.7m gain after the impact of hedges held at company level. At 31 December 2018, euro-denominated investments comprised 18% of the portfolio.

Once the committed investments in the Solwaybank and Ersträsk[14] wind farms are fully subscribed the proportion of euro denominated investments based on the current portfolio and valuation increases to 28%.

(ii) Forecast power prices:

Movements in power price forecasts during the year had the impact of increasing the valuation of the portfolio by a net £14.0m. The valuation uses updated power price forecasts for each of the markets in which TRIG invests.

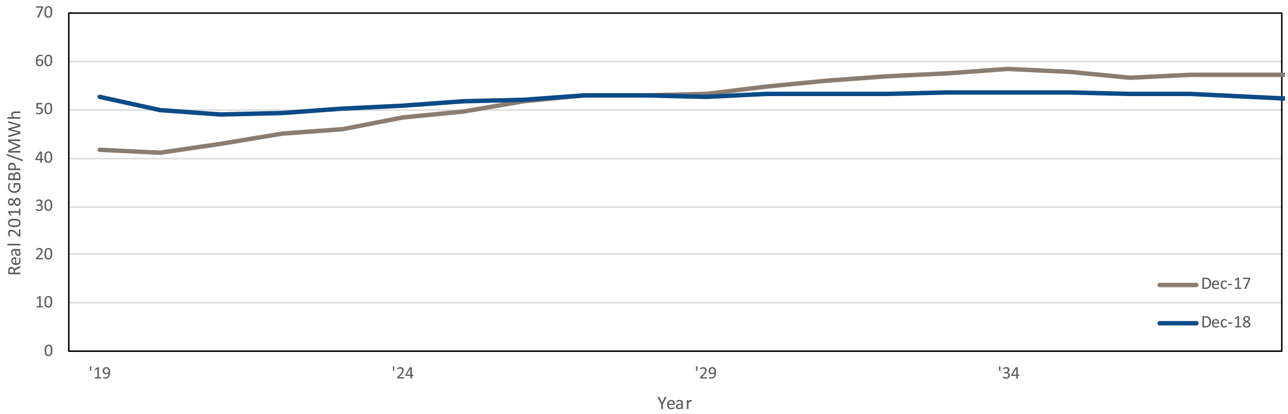
Power price forecasts have increased in the near term. This reflects a tighter market for gas in the EU following an unusually cold winter in early 2018 followed by an unusually hot summer in the Northern Hemisphere which led to a reduction in gas stocks. In addition, higher prices for oil in 2018 have had a knock-on effect on gas prices which have benefitted both current and forward prices. Forecasters expect power prices to decline from current levels in the near term mostly driven by an expectation of reducing gas prices (due to an expected over supply of gas globally) before recovering over the longer term as global gas demand increases and exceeds supply. Power price forecasts over the longer term have declined, the main drivers of this are the forecasters adopting slightly lower and more cautious projections of future gas prices from those assumed at 31 December 2017 and also an expected greater build out of renewables over the longer term as renewables costs have continued to decline.

14 The majority of the Ersträsk wind farm income is wholesale power sales which in the Nord Pool are denominated in Euros and hence the investment is treated as Euro denominated notwithstanding that the smaller subsidy element and some operating costs for that project are denominated in Swedish Krona.

As a result of the increase in achieved and forecast wholesale power prices in the near term and reductions in the longer term, the gradient of the forecast power price curve has reduced, and forecast power prices are now essentially flat in real terms.

The weighted average power price used to determine the Directors' valuation is shown below in real terms – this is comprised of the blend of forecasts for each of the power markets in which TRIG is invested after applying expected PPA power sales discounts and reflecting cannibalisation[15]. The equivalent power price curve assumed at 31 December 2017 is also shown.

Illustrative blended power price curve (real prices) for TRIG's portfolio[1]



1 Power price forecasts used in the Directors' valuation for each market are based on analysis by the Investment Manager using data from leading power market advisers. In the illustrative blended price curve, the power price forecasts are weighted by the valuation for each of the projects at 31 December 2018. Forecasts are shown net of assumptions for PPA discounts and cannibalisation.

(iii) Reduction in valuation discount rates:

During the year, there has continued to be strong demand for income-producing infrastructure assets, including renewable energy projects, as the market continues to mature with more investors seeking to gain exposure to the asset class. This has resulted in a continued reduction in the prevailing discount rates applied to renewables investments. Overall the Investment Manager, based on its experience of bidding and transacting in the secondary market for renewable infrastructure assets, has applied an average reduction of 0.3% to discount rates in the second half of the year. This change in assumption has led to an increase in the valuation of the investments of £23.3m.

The weighted average portfolio valuation discount rate as at 31 December 2018 was 7.6% (31 December 2017: 8.0%). The reduction reflects the market discount rate compression described above and the impact of acquisitions in the year. The mix of investments made in the period reduced the discount rate by 0.1%, given that two large investments are ungeared (Clahane and Solwaybank) and four investments have FiT/ CfD subsidy arrangements that remove power price risk for the duration of the subsidy term.

The Company engaged an independent review of the valuation discount rates adopted which confirmed the rates used were appropriate.

The discount rate used for valuing each investment represents an assessment of the rate of return at which infrastructure investments with similar risk profiles would trade on the open market.

(iv) Balance of portfolio return:

This refers to the balance of valuation movements in the year (excluding (i) to (iii) above) and represents an uplift of £99.2m, equivalent to an 8.8% increase over the rebased value of the portfolio. The balance of portfolio return mostly reflects the net present value of the cash flows brought forward by a year at the average prevailing portfolio discount rate (7.9% before the year end discount rate reduction) and reflects good operational cashflow performance and efficient portfolio management plus some additional valuation adjustments. These additional valuation adjustments include items such as reduced maintenance costs on renewal of contracts as well as the ongoing refinancing of the debt.

The Group is advanced in the refinancing of a portfolio of UK wind farms. It is anticipated that this refinancing will be concluded in H1 2019. Accordingly, the Valuation recognises a gain arising from this refinancing reflecting the improved terms.

Following the Ofgem announcement of the Targeted Cost Review described in further detail at page 23 affecting embedded benefits in relation to the GB electricity market, these have been removed from future cashflows in the valuation.

15 Cannibalisation is the term given to the tendency for renewables (an intermittent generator) to achieve an overall power price which is lower than the average which would be expected of a continuous base load generator, caused by prices being influenced by the additional supply when renewables are generating.

2.7 Valuation of the Group's Portfolio

(continued)

Investment Obligations

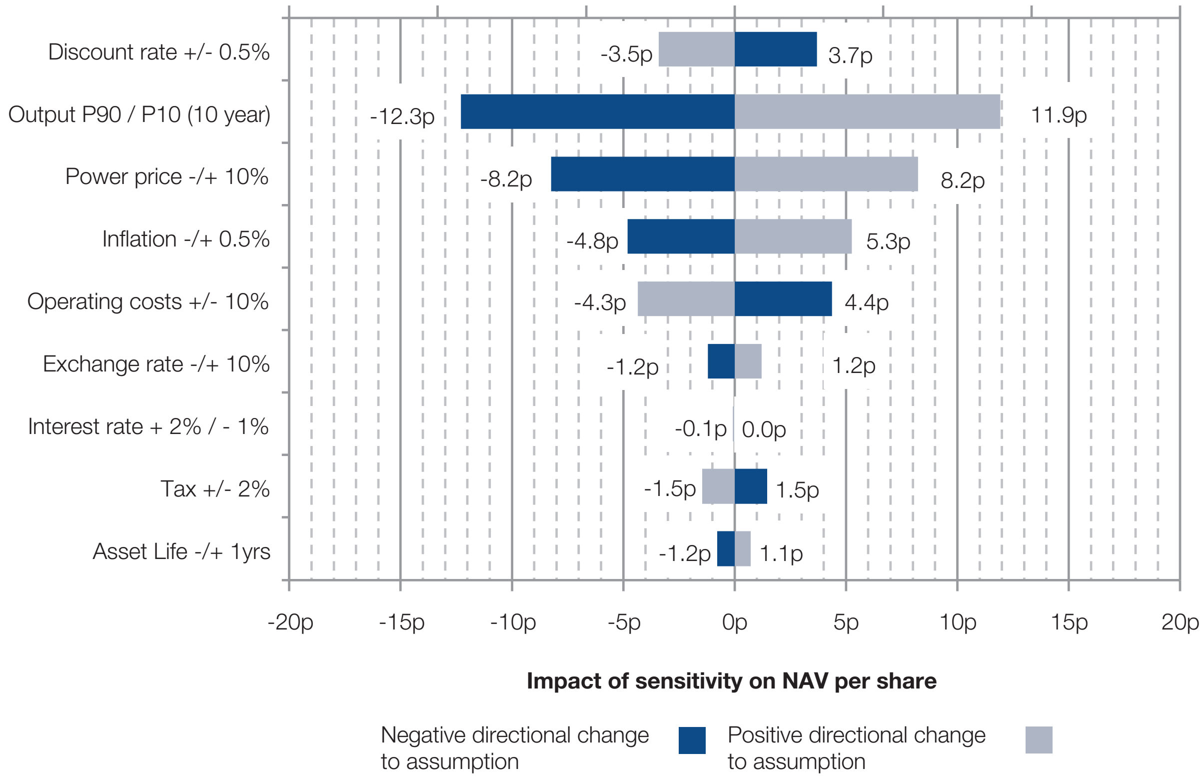
At 31 December 2018 the Company had outstanding investment commitments in relation to two wind farms: Solwaybank which is under construction with payments being used to fund this construction activity and Ersträsk, which is also under construction, but with no payment amounts due until each construction phase is complete and operational. These investment commitments are shown in the table below:

	Expected Investment						
Name of Asset	Investments made in 2018	H1 2019	H2 2019	H1 2020	Later	Total outstanding commitments	Total investment
Solwaybank	48.8	16.0	8.6	–	8.4	33.0	81.8
Ersträsk	–	46.2[1]	–	117.7	7.7	171.6	171.6
Total	**48.8**	**62.2**	**8.6**	**117.7**	**16.1**	**204.6**	**253.4**

1 The initial payment for Ersträsk Phase I was made as the project completed in February 2019.

Key Sensitivities

The following chart illustrates the sensitivity of TRIG's NAV per share to changes in key input assumptions (with the labels indicating the impact on the NAV in pence per share of the sensitivities):



For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

The sensitivities assume the portfolio is fully invested and hence the Portfolio Value for the sensitivity analysis is the sum of the Portfolio Valuation at 31 December 2018 (£1,268.7m) and the outstanding investment commitments set out above (£204.6m) being £1,473.3m.

Accordingly, the NAV per share impacts shown above assumes the issue of further shares to fund these commitments.

All of TRIG's sensitivities above are stated after taking into account the impact of project level gearing on returns.

An additional sensitivity has been shown for Asset Life, indicating the impact of changing the assumed operating life of the portfolio by 1 year in either direction.

As discussed in more detail on page 33 and in the Chairman's statement on page 7 the Company is undertaking a technical review of its asset life assumptions and, depending on the outcome of that review, it may be appropriate to extend the assumed life by an average of 2 to 3 years (potentially increasing the NAV by 1.1p per year if all other things remain equal).

Please refer to Note 4 in the Notes to the Financial Statements for more detail on key sensitivities.

2.8 Analysis of Financial Results

At 31 December 2018, the Group had investments in 62 projects. As an investment entity for IFRS reporting purposes, the Company carries these 62 investments at fair value. The results below are shown on a statutory and on an "Expanded" Basis as we have done in previous years. See the box below for further explanation.

Basis of preparation

In accordance with IFRS 10 the Group carries investments at fair value as the Company meets the conditions of being an Investment Entity. In addition IFRS 10 states that investment entities should measure their subsidiaries that are themselves investment entities at fair value. Being investment entities, The Renewables Infrastructure Group (UK) Limited ("TRIG UK") and The Renewables Infrastructure Group (UK) Investments Limited ("TRIG UK I"), the Company's subsidiaries, through which investments are purchased, are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning their cash, debt and working capital balances are included as an aggregate number in the fair value of investments rather than the Group's current assets. In order to provide shareholders with more transparency into the Group's capacity for investment, ability to make distributions, operating costs and gearing levels, adjusted results have been reported in the pro forma tables below.

The pro forma tables that follow show the Group's results for the year ended 31 December 2018 and the prior year on a non-statutory "Expanded Basis", where TRIG UK and TRIG UK I are consolidated on a line-by-line basis, compared to the Statutory IFRS financial statements (the "Statutory IFRS basis").

The Directors consider the non-statutory Expanded basis to be a more helpful basis for users of the accounts to understand the performance and position of the Company because key balances of the Group including cash and debt balances carried in TRIG UK and TRIG UK I and expenses incurred in TRIG UK and TRIG UK I are shown in full rather than being netted off.

The necessary adjustments to get from the Statutory IFRS Basis to the non-statutory Expanded Basis are shown for the primary financial statements. The commentary provided on the primary statements of TRIG is on the Expanded Basis.

Income Statement

The Statutory IFRS basis nets off TRIG UK and TRIG UK I's costs, including overheads, management fees and acquisition costs against income. The Expanded Basis includes the expenses incurred within TRIG UK and TRIG UK I to enable users of the accounts to fully understand the Group's costs. There is no difference in profit before tax or earnings per share between the two bases.

Balance Sheet

The Statutory IFRS basis includes TRIG UK and TRIG UK I's cash, debt and working capital balances as part of portfolio value. The Expanded basis shows these balances gross. There is no difference in net assets between the Statutory IFRS basis and the Expanded Basis.

The majority of cash generated from investments had been passed up from TRIG UK and TRIG UK I to the Company at December 2018.

At 31 December 2018, TRIG UK I was £nil drawn on its revolving acquisition facility (2017: £106.4m drawn) equalling the difference between the Statutory IFRS basis and the Expanded Basis.

Cash Flow Statement

The Statutory basis shows cash movements for the top company only (TRIG Limited). The Expanded Basis shows the consolidated cash movements above the investment portfolio which are relevant to users of the accounts. Differences include income received by TRIG UK and TRIG UK I applied to reinvestment and expenses incurred by TRIG UK and TRIG UK I that are excluded under the Statutory IFRS basis.

The purchase of investments on the Expanded basis is funded by both the company's revolving acquisition facility and amounts passed down after capital raises. The remaining balance is that of reinvestment.

Income statement

Summary income statement	Year to 31 December 2018 £'m Statutory IFRS Basis	Adjustments[1]	Expanded Basis	Year to 31 December 2017 £'m Statutory IFRS Basis	Adjustments[1]	Expanded Basis
Operating income	125.0	17.8	142.8	93.1	12.6	105.7
Acquisition costs	–	(1.5)	(1.5)	–	(0.8)	(0.8)
Net operating income	125.0	16.3	141.3	93.1	11.8	104.9
Fund expenses	(1.3)	(11.4)	(12.7)	(1.1)	(9.9)	(11.0)
Foreign exchange (loss)	(0.5)	(0.3)	(0.8)	(1.8)	–	(1.8)
Finance costs	–	(4.6)	(4.6)	–	(1.9)	(1.9)
Profit before tax	123.2	–	123.2	90.2	–	90.2
EPS[2]	11.7p	–	11.7p	9.8p		9.8p

1. The following were incurred within TRIG UK and TRIG UK I; acquisition costs, the majority of expenses and acquisition facility fees and interest. The income adjustment offsets these cost adjustments.
2. Calculated based on the weighted average number of shares during the year being approximately 1,052.9m shares.

Analysis of Expanded Basis financial results

Profit before tax for the year to 31 December 2018 was £123.2m, generating earnings per share of 11.7p, which compares to £90.2m and earnings per share of 9.8p for the year to 31 December 2017.

The EPS of 11.7p is after the impact of increased power prices in the year and a reduction in valuation discount rates, beneficial movements in macroeconomic assumptions and a strong level of portfolio return.

As explained in section 2.7 the valuation movement also takes account of the potential impact of the recently announced Ofgem Targeted Charging Review which is substantially offset by valuation gains arising from refinancing of older project finance debt within the portfolio on improved terms.

Portfolio value movements (which make up operating income) are more fully described in Section 2.7 of this Strategic Report.

Increases in both net operating income and fund expenses in the year to 31 December 2018 as compared to the year to 31 December 2017 reflect the increase in the size of the portfolio.

Acquisition costs relate to five wind farm investments in the year, being Clahane, Montigny, Rosières, Solwaybank and Ersträsk. The Company has made investment commitments to Solwaybank and Ersträsk, with the majority of payments due in 2019 and early 2020.

	Year to 31 December 2018 (£'m)	Year to 31 December 2017 (£'m)
Acquisition costs	1.5	0.8
Total Acquisition commitments made in the year	348.0	229.9
Acquisition costs as % of investments	0.4%	0.3%

Fund expenses of £12.7m (2017: £11.0m), includes all operating expenses and £11.4m (2017: £9.1m) fees paid to the Investment and Operations Managers. As the Adjusted Portfolio Value of the Company increases, the aggregate Managers' fee reduces to 0.75% above £2bn and then reduces to 0.7% above £3bn. These fees are set out in more detail in the Related Party and Key Advisor Transactions note, Note 18 to the financial statements.

The slight further strengthening of the euro against sterling during 2018 has increased the value of the euro-denominated assets in TRIG's investment portfolio, with foreign exchange gains recognised in the portfolio of £3.6m (2017: £5.7m gain). This was partially offset by foreign exchange losses on hedges and euro revolving acquisition facility balances held outside the portfolio of £0.8m (2017: £1.8m loss). Portfolio value movements (included in operating income) are more fully described in Section 2.7 of this Strategic Report. The net foreign exchange gain in the year is £2.8m (2015: £3.9m gain).

Finance costs relate to the interest and fees incurred relating to the Group's revolving acquisition facility.

2.8 Analysis of Financial Results

(continued)

Ongoing charges

Ongoing Charges (Expanded Basis)	Year to 31 December 2018 £'000s	Year to 31 December 2017 £'000s
Investment and Operations Managers' fees	11,353	9,071
Audit fees	131	117
Directors' fees and expenses	225	198
Other ongoing expenses	845	815
Total expenses[1]	12,554	10,201
Average net asset value	1,117,929	921,882
Ongoing Charges Percentage (OCP)	1.12%	1.11%

1. Total expenses excludes £0.2m (2017: £0.8m) of lost bid costs incurred during the year.

The Ongoing Charges Percentage is 1.12% (2017: 1.11%). The ongoing charges have been calculated in accordance with AIC guidance and are defined as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the year. The Ongoing Charges Percentage has been calculated on the Expanded Basis and therefore takes into consideration the expenses of TRIG UK and TRIG UK I as well as the Company's. The slightly higher Ongoing Charges Percentage in 2018 reflects the higher average drawn RCF balance in 2018 compared to 2017. There is no performance fee paid to any service provider.

Balance sheet

	As at 31 December 2018 £'m			As at 31 December 2017 £'m		
Summary balance sheet	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Portfolio value	1,267.3	1.4	1,268.7	973.3	107.9	1,081.2
Working capital	(0.2)	(1.5)	(1.7)	(1.2)	(1.6)	(2.8)
Debt	–	–	–	–	(106.4)	(106.4)
Cash	16.8	0.1	16.9	10.6	0.2	10.8
Net assets	**1,283.9**	**–**	**1,283.9**	**982.8**	**–**	**982.8**
Net asset value per share	108.9p	–	108.9p	103.6p		103.6p

Analysis of Expanded Basis financial results

Portfolio value grew by £187.5m in the year to £1,268.7m, primarily as a result of the investments made in the year to 31 December 2018 as described more fully in the "Valuation Movements" section of this Strategic Report.

Group cash at 31 December 2018 was £16.9m (2017: £10.8m) and acquisition facility debt drawn at 31 December 2018 was £nil (2017: £106.4m).

Net assets grew by £301.1m in the year to £1,283.9m. The Company raised £233.8m (after issue expenses) of new equity during the year and produced a £123.2m profit in the year, with net assets being stated after accounting for dividends of £56.9m paid in the year (net of scrip take up). Other movements in net assets totalled £1.0m, being the Managers' shares accrued at 31 December 2018 and to be issued on or around 29 March 2018.

Net asset value ("NAV") per share as at 31 December 2018 was 108.9p compared to 103.6p at 31 December 2017.

Net asset value ("NAV") and Earnings per share ("EPS") reconciliation

	NAV per share	Shares in issue (m)	Net assets (£m)
Net assets at 31 December 2017	103.6p	948.3	982.8
Profit/EPS to 31 December 2018	11.7p[1]	–	123.2
Shares issued (net of costs)[2]	0.1	220.1	233.8
Dividends paid in 2018	(6.475)p	–	(67.5)
Scrip dividend take-up[3]	–	10.03	10.6
H2 2018 Managers' shares to be issued	–	0.9	1.0
Net assets at 31 December 2018	108.9p	1,179.3	1,283.9

1. Calculated based on the weighted average number of shares during the year being 1,052.9m shares.
2. Includes shares issued to managers (less costs) during the year.
3. Scrip dividend take-up comprises 2.5m shares in March 2018, equating to £2.6m, 3.5m shares in June 2018, equating to £3.7m, 2.8m shares in September 2018, equating to £3.1m, and 1.1m shares in December 2018, equating to £1.2m issued in lieu of dividends paid.

Cash flow statement

	Year to 31 December 2018 £'m			Year to 31 December 2017 £'m		
Summary cash flow statement	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Cash received from investments	54.6	43.9	98.5	59.2	13.8	73.0
Operating and finance costs	(1.3)	(12.7)	(14.0)	(1.1)	(8.8)	(9.9)
Cash flow from operations	53.3	31.2	84.5	58.1	5.0	63.1
Debt arrangement costs	–	(2.8)	(2.8)	–	(0.2)	(0.2)
Foreign exchange losses	(1.0)	(0.3)	(1.3)	(2.6)	(0.2)	(2.8)
Issue of share capital (net of costs)	234.8	(1.9)	232.9	110.1	(1.5)	108.6
Acquisition facility drawn/(repaid)	–	(106.4)	(106.4)	–	106.4	106.4
Purchase of new investments (including acquisition costs)	(224.0)	80.1	(143.9)	(121.6)	(109.5)	(231.1)
Distributions paid	(56.9)	-	(56.9)	(51.9)	–	(51.9)
Cash movement in year	6.2	(0.1)	6.1	(7.9)	–	(7.9)
Opening cash balance	10.6	0.2	10.8	18.5	0.2	18.7
Net cash at end of year	16.8	0.1	16.9	10.6	0.2	10.8

Analysis of Expanded Basis financial results

Cash received from investments in the year was £98.5m (2017: £73.0m). The increase in cash received compared with the previous year reflects the increase in the size of the portfolio.

Dividends paid in the year totalled £56.9m (net of £10.6m scrip dividends). Dividends paid in the prior year totalled £51.9m (net of £6.3m scrip dividends).

Cash flow from operations in the year was £84.5m (2017: £63.1m) and covers dividends paid of £56.9m in the year by 1.5 times (or 1.25 times without the benefit of scrip take up), or 2.0 times before factoring in amounts invested in the repayment of project-level debt. The Group repaid £29.2m of project-level debt (pro-rata to the Company's equity interest) in the year.

Share issue proceeds (net of costs) totalling £232.9m (2017: £108.6m) reflecting the net proceeds of the 219.2m shares issued via a number of tap issues during the year.

In the year, £143.9m was invested in acquisitions and acquisition expenses and £106.4m of acquisition facility debt was repaid during the year. This was funded through £232.9m of share capital raised (net of costs) and £17.4m of reinvested cash generated in the year to 31 December 2018.

Cash balances increased reflecting the strong scrip dividend take-up and good level of portfolio distributions in the year.

2.9 Financial KPIs and review of the year

	(Year to) 31 December 2018	(Year to) 31 December 2017	(Year to) 31 December 2016	(Year to) 31 December 2015	(Year to) 31 December 2014	(Part year to) 31 December 2013[1]
Dividend per share (declared)	6.50p	6.40p	6.25p	6.19p	6.08p	6p (annualised)
Share price	113.2p	108.6p	109.6p	102.3p	104.00p	102.25p
Net Asset Value per share	108.9p	103.6p	100.1p[2]	99.0p[2]	102.4p	101.5p
Total Shareholder Return[3] for the year (share price basis)	+10.7% (FTSE All Share: -9.5%)	+ 5.11% (FTSE All Share: +13.1%)	+ 15.8% (FTSE All Share: + 16.8%)	+ 4.4% (FTSE All Share: + 1.0%)	+ 7.5% (FTSE All Share: + 1.2%)	–
Portfolio Value *Year-on-year growth* *Number of projects* *Aggregate capacity*	£1,268.7m +17% 62 1,110MW	£1,081.2m +32% 57 821MW	£818.7m +15% 53 710MW	£712.3m +51% 36 658MW	£472.9m +57% 29 439MW	£300.6m - 20 288MW
Market capitalisation *Year-on-year growth* *Number of shares in issue*	£1,333.9m +30% 1,178.4m	£1028.8m +13% 947.3m	£912.9m +28% 833.0m	£749.7m +73% 732.8m	£432.1m +36% 415.5m	£317.0m - 310.0m
Ongoing Charges Percentage	1.12%	1.11%	1.10%	1.20%	1.25%	1.20% (annualised)

NOTES

1. For 2013, data is derived from the period from IPO on 29 July 2013 to 31 December 2013 unless otherwise stated.
2. NAV per share in 2015 was in particular affected by the removal, in the UK's 2016 Summer Budget, of the benefit to renewables generators of selling Levy Exemption Certificates, effective 1 August 2016. NAV per share in 2016 is expressed after the payment of an additional quarter's worth of dividends as a result of the switch to quarterly dividends from semi-annual dividends. In aggregate, 7.7975p per share of dividends were paid in 2016.
3. Total Shareholder Return ("TSR") measures the internal rate of return based on the share price at the beginning and end of the financial year together with dividends per share reinvested in the Company.

The weighted average portfolio discount rate is 7.6%. Adjusted to take account of fund-level costs, the weighted average portfolio discount rate implies the expected level of return to investors from a theoretical investment in the Company made at NAV per share.

Financing

In December 2018, the Group renewed its revolving acquisition facility with Royal Bank of Scotland International, National Australia Bank and ING Bank NV. The Group increased the facility size £340m, obtained improved terms and extended the expiry date to 31 December 2021 with an option to extend it for a further 12 months (the previous facility was due to expire in September 2019). Margins on the facility when drawn have reduced to 1.90% (previously 2.05%).

The revolving acquisition facility enables the Group to fund new acquisitions and to provide letters of credit for future investment obligations should they be required. The facility includes a £20m working capital element.

The short-term financing provided by the revolving acquisition facility is limited to 30% of the portfolio value. It is intended that any facility used to finance acquisitions is repaid, in normal market conditions, within a year through equity fundraisings.

The acquisition facility, which was fully repaid towards the end of 2018 with the proceeds from equity capital raises, was drawn down to fund investments several times in the year. Since the year end, the Group has made the initial investment in the Ersträsk project which was triggered by the completion of Phase 1 which was funded by a drawdown on the acquisition facility which at the date of this Annual Report is £46m drawn.

In addition to the revolving acquisition facility, the projects may have underlying project level debt. There is an additional gearing limit in respect of such debt, which is non-recourse to TRIG, of 50% of the Gross Portfolio Value (being the total enterprise value of such portfolio companies), measured at the time the debt is drawn down or acquired as part of an investment. The Company may, in order to secure advantageous borrowing terms, secure a project finance facility over a group of portfolio companies.

The project-level gearing at 31 December 2018 across the portfolio was 35% (2017: 38%). The decrease in gearing reflects both repayments made during the year and the impact of acquisitions being mostly without project finance debt. The vast majority of the debt is fixed and has an average cost of 3.5% (including margin). The project level debt is fully amortising and repaid in each case over the period of the subsidy term. The portfolio weighted average subsidy life remaining is 14 years.

The Group is advanced in the refinancing of the project level debt in relation to a portfolio of UK wind farms. This refinance is expected to conclude in H1 2019. The Manager currently estimates that at 30 June 2019, the project-level gearing across the portfolio will be c.36%, allowing for the refinancing, the initial investment in Ersträsk, further investment in Solwaybank and expected project level debt repayments over H1 2019.

Overall gearing may also change as a result of the purchase of further investments with or without project-level debt within them, scheduled repayment of project level debt and refinancings. Long-term non-recourse project-level debt in the portfolio has generally been secured for the full duration of its expected amortisation (i.e. is without refinancing risk) and has swap instruments fixing interest rates over the majority of the loans (i.e. minimising exposure to increasing interest rates).

At 31 December 2018 the Company had outstanding investment commitments in relation to two wind farms: Solwaybank which is under construction with payments being used to fund this construction activity and Ersträsk, which is also under construction, but with no payment amounts due until each construction phase is complete and operational. These investment commitments are shown in the table below:

		Expected Investment					
Name of Asset	**Investments made in 2018**	**H1 2019**	**H2 2019**	**H1 2020**	**Later**	**Total outstanding commitments**	**Total investment**
Solwaybank	48.8	16.0	8.6	–	8.4	33.0	81.8
Ersträsk	–	46.2[1]	–	117.7	7.7	171.6	171.6
Total	48.8	62.2	8.6	117.7	16.1	204.6	253.4

1 Payment for Ersträsk phase I was made in February 2019 following the completion of the construction of this phase.

The investment obligations are expected to be financed from a combination of retained earnings after payment of dividends, receipts from refinancing and the proceeds of equity capital raises using the Groups revolving acquisition facility where necessary as a bridge to capital raises.

As at 31 December 2018, the Group had cash balances of £16.9m, excluding cash held in investment project companies as working capital or otherwise.

Foreign Exchange Hedging

At the year-end, 18% of the portfolio was located within France and the Republic of Ireland and hence is invested in euro-denominated assets. Once the committed investments in the Solwaybank and Ersträsk wind farms are fully subscribed the proportion of euro denominated investments based on the current portfolio and valuation will increase to 28%.

The Group enters into forward hedging contracts against its expected income from the euro-denominated investments' distributions over the short term, currently approximately the next 18 months. In addition the Group enters into further forward hedging contracts such that, when combined with the "income hedges", the overall level of hedge achieved in relation to the euro-denominated assets is approximately 50% of their aggregate value. The group may also make drawings under the revolving acquisition facility in euros which provides further foreign exchange hedging.

The Investment Manager keeps under review the level of euros hedged, with the objective of minimising variability in shorter term cash flows with a balance between managing the sterling value of cash flow receipts and mark-to-market cash outflows.

As well as addressing foreign exchange uncertainty on the conversion of the expected euro distributions from investments, the hedge also provides a partial offset to foreign exchange movements in the portion of the portfolio value relating to the euro-denominated assets.

The impact on NAV per share of a 10% movement in the euro exchange rate after the impact of hedges held by the Group outside of the investment portfolio is 1.2p – this is explained in more detail in Section 2.7 and Note 4 in the Notes to the Financial Statements (Valuation Sensitivities – euro/sterling exchange rate).

2.10 Risks and Risk Management

Risks and Uncertainties

While there are a broad range of risk elements that may potentially impact TRIG including risks relating to general macro-economic factors, there are three particular variables that the Managers believe are most relevant, given the nature of its business: (1) portfolio energy production; (2) electricity price movements; (3) regulation, including levels of government support schemes. TRIG's approach to risk is one of systematic assessment, on an investment project basis on acquisition, and as part of the overall portfolio management over time as external dynamics shift. The Managers and the Board have considered and reviewed the key risks and have concluded that there has been no material change to the major risks in the year. Whilst there is arguably greater and more immediate uncertainty around Brexit than a year ago, the Board does not consider the Company's exposure to be such that it changes its views on the key risk categories i.e. the Managers and the Board does not consider that Brexit introduces significant additional risks to those set out below.

Major Risk Category	Key Mitigants
Portfolio electricity production falling short of expectations	▲ Established nature of wind and solar technologies ▲ Geographical spread of wind assets and complementary seasonal bias of solar production ▲ Number and diversity of portfolio projects by generating technology, weather system and specific locality ▲ Experience of RES as Operations Manager in monitoring and improving portfolio production ▲ Diversity of underlying equipment manufacturers and O&M suppliers ▲ Improvements in technology providing future opportunities for enhancement and repowering
Electricity prices moving adversely	▲ A significant portion of TRIG's near-term portfolio-level revenue is fixed in nature, without power price exposure ▲ Electricity is sold into distinct electricity markets (GB, Irish SEM[1], France and Nordics) ▲ Long-term nature of revenues and forward pricing mechanisms provides some protection against short-term fluctuations ▲ Revenues from different projects shift towards greater power exposure at different times depending on support scheme, commissioning date and contractual arrangements ▲ In the longer term, storage technologies may provide ability for renewables to become partly dispatchable and able to capture higher prevailing prices at times of higher demand
Government or regulatory support for renewables changes adversely	▲ UK and Northern European economies expected to continue to demonstrate a robust approach to grandfathering commitments to existing installed capacity ▲ Future subsidies generally tracking the fall in development costs of maturing technologies, providing appropriate public value-for-money ▲ Emphasis on energy security as a key item on the public agenda, in light of both dwindling North Sea fossil fuel production and broader geopolitical concerns ▲ Strong public and political momentum in TRIG's markets of focus towards meeting long-term United Nations, European Union and national decarbonisation efforts.

Further comment on these categories is provided below:

Portfolio Electricity Production: The Company has been structured to provide the Investment Manager with the flexibility to invest across a variety of markets and technologies, to enable diversification across weather systems, renewables technologies and regulatory regimes.

Wind power and solar PV, while both termed "intermittent" sources of electricity, compared say to coal or gas whose energy outputs can be planned, in combination, provide a smoothing effect, with solar more productive in the summer and wind more productive in the winter and with the absolute level of the two energy sources month by month being uncorrelated. Geographical spread of assets within each technology also has a smoothing effect. In addition, solar provides greater predictability through the year, compensating for wind which is more variable in the short term. Wind also typically offers a slightly higher return on investment reflecting this variability.

An important element in maintaining high levels of energy production is minimising operating downtime (or maximising "availability"). RES, as Operations Manager, has an extensive track record in both developing and managing renewables and has the experience of global operations, bringing considerable expertise both to the prediction of energy yields prior to acquiring assets and to the operation of assets in order to optimise energy production. This is done through careful planning and execution of project operations and prompt repair works both directly and through subcontractors. As onshore wind and solar PV are now well-proven technologies, typical levels of availability in a given year are around 96% to 98%.

Electricity Prices: In valuing the TRIG portfolio, it is necessary to take a long-term view on wholesale electricity prices which is done in consultation with independent energy price forecasters. It should be noted that TRIG is more concerned about long-term energy prices, as in the near term its revenues comprise a greater proportion of subsidies together with PPAs with fixed prices or price floors, fixed price FiTs and some assets with no exposure at all.

In 2019, the portfolio expects to benefit from approximately two-thirds of its project-level revenues coming from fixed PPAs, FiTs, renewables obligation certificates and other embedded benefits, i.e. revenue sources other than those based on electricity market prices.

Forecasts for European energy wholesale prices suggest that over the medium and medium-to-long term real prices may be maintained at broadly similar levels. A key driver is the cost of gas as gas fired power stations tend to set the marginal electricity price. Forecasts assume cheaper sources of gas are declining and instead there is an increased reliance on more expensive gas (LNG) to meet demand. Carbon taxes are also assumed to increase across Europe. Over the longer term forecast wholesale prices are forecast to start to decline as a result of increasing penetration of low marginal-cost generation including renewables. The forecast power curve adopted by the Company in its valuation are shown on page 39.

Outturn power prices and movements in long-term forecast power prices provide both upside and downside risk to a renewables portfolio. In 2018 in TRIG's markets power prices have been consistently above expectations, with positive influences coming from increases in both gas and carbon prices, but with many factors which influence outturn power prices it is likely that future power prices will continue to fluctuate.

Progress in storage technologies may assist with dispatching wind and solar generation to a market with increasingly intermittent generation. As battery storage becomes increasingly cost-efficient, this supply time-shifting (over hours or even days) should become increasingly economical. This can support the average price received for power sales. Current battery storage projects, such as at TRIG's Broxburn site, are mainly utilised for frequency response services, supplying the grid with capacity to match very short-term imbalances in the frequency.

As TRIG's portfolio is split across several jurisdictions, the Company has the benefit of diversification across electricity markets. Finally, projects are purchased at different points in the power price "cycle", producing a cost-averaging effect. The Group may be expected to acquire some portfolio projects at times when the long-term power price forecasts utilised turn out to be relatively high, though these would be offset over time by projects purchased when the power forecasts turn out to have been at relatively low levels.

Government Regulations: The fundamental challenges for the future of the UK and EU energy market, in which renewables play an increasing part, remain in place. These challenges include the imperative of reducing carbon dioxide and other noxious emissions, the desire to improve energy security and the requirement to replace inefficient or aging energy infrastructure. The expectation is that governments will continue to require a significantly increased contribution by renewables technologies to meet the region's needs for energy security and carbon reduction.

The suspension of the UK Capacity Market as well as the Ofgem consultation into transmission charging are examples of regulatory risks that have arisen during the year and are discussed in more detail in section 2.4 Market Development.

Geographically, the Company focuses its investments predominantly in the UK and Northern Europe where there is a strong emphasis on meeting decarbonisation targets and showing consistency in grandfathering prior subsidy commitments to operating plants where reliance is being placed on such support mechanisms.

In addition, with the reductions in costs of deploying renewables driving renewable energy to grid parity, the Company is now seeing assets being developed without reliance on government subsidies. This shifts the investment focus for such assets from sovereign strength and grandfathering to the relevance of the location for production yield and the sensitivity of the equity return to wholesale power price changes, taking into account the robustness of any hedging or other fixes in place and the capital structure. This may open up additional markets to TRIG, enabling it to maintain and enhance the diversification of its portfolio.

Other Risk Factors

There are a range of other risks, for example those that are more macroeconomic in nature, including the potential impact of material changes in market discount rates, inflation, interest rates, tax rates or exchange rates. The estimated impact of these on NAV, together with the impact of power price, energy yield and operating cost variability, is illustrated in the sensitivities section of the Company's portfolio valuation in Section 2.7 and in Note 4 of the accounts.

Other Risk factors which TRIG has been monitoring closely include:

Interest rates: While interest rates remain low by historic standards in our markets of focus, there have been small increases during 2018. Modest UK and European GDP growth rates and inflation suggest a slow and manageable trajectory of interest rate recovery over time. To the extent that higher rates are correlated with higher inflation, the portfolio has protection by a natural hedge through exposure to inflation-linked subsidies and to power prices to the extent that over the long-term prices have a positive correlation with inflation. In addition, TRIG's project-level debt is structured (including with swaps) to fix the levels of interest payments.

2.10 Risks and Risk Management

(continued)

Emerging Risks: The Managers and Board discuss and consider what emerging risks there are to the Company at quarterly Board Meeting. The Company has a range of advisers in addition to its Managers. These advises report on key topics and potential events which may present potential risks that the Board and the Manager need to monitor. In addition, the Company is registered with various industry bodies which alert both the Board and the Managers of emerging risks as key events and news items unfold.

The Brexit Vote: The UK's vote in June 2016 to leave the EU has resulted in political and economic uncertainty with consequent market volatility. The full implications of Brexit are still difficult to assess with the Article 50 leave negotiations ongoing.

One additional uncertainty is how Brexit may affect Scotland and any further potential independence initiatives. An independent Scotland might have implications on its currency (potentially leaving sterling) and on its renewables market, including future new capacity deployment, the treatment of subsidies or the trajectory of power prices.

For TRIG's future portfolio valuations, further depreciation of Sterling may cause overseas assets to become more expensive relative to valuations using historic foreign exchange rates. The Company has foreign exchange hedges in place that aim to offset approximately 50% of the Group's foreign exchange exposure leading to a manageable NAV per share and mark to market exposure in the event of significant foreign exchange movements. The immediate effect has been an upward pressure on GB market electricity pricing, pushing up the portfolio valuation (see Electricity Prices, discussed above). Over the longer term, the impacts on electricity pricing are harder to assess. In a low GDP growth scenario, demand will be lower which will adversely impact electricity prices. However, there may simultaneously be upward pressures on pricing if generating capacity margins tighten.

We set out below in the table below how some of the factors which may be expected to arise were the UK to leave without a transition agreement (the so-called "Hard Brexit") together with the mitigating factors which are in place for the Company.

Major Brexit Risks	Key Mitigants
Workforce skills shortage	• Managers well resourced • Wide range of subcontractors in place mitigates individual asset risks
Supply chain failure with and import tariffs on imported parts	• All key suppliers reviewed for approach to anticipated challenges and uncertainties • Additional spares being stored both side of Irish border
Revenue disruption to sale of electricity in Great Britain	• Potential disruption to interconnectors with the UK outside the Internal Energy Market, but UK a net importer - tighter supply positive for GB wholesale prices
Revenue disruption to sale of electricity in the SEM	• No immediate impact on electricity generation and flow is anticipated • Significant support for cross border interconnection to ensure the "lowest-cost pathway to decarbonisation"
Revenue disruption with the loss of carbon taxes outside EU ETS	• Replacement Carbon Price Support expected (Budget announcement Nov 2018) • Carbon taxes support decarbonisation targets and generate tax revenues

Other regulatory change: A future Labour government in the UK may introduce adverse changes in taxation as indicated by their 2017 manifesto. Under a Labour Government, should this occur, UK corporation tax may increase to 26%, which would adversely impact TRIG's NAV due to the higher taxes paid. Sensitivities, from which the impact of changes to tax rates may be gauged, can be found in the Company's portfolio valuation in Section 2.7 and Note 4 of the account.

Labour is also proposing to remove the Withholding Tax exemption for Eurobonds and to disallow private funds from holding public assets offshore. If such a situation were to arise and the recently enacted UK Guernsey Double Tax Treaty was to prove ineffective, TRIG may redomicile to the UK with the Company deeming a portion of its distributions paid to investors as interest by applying the UK's Investment Trust (Approved Company) (Tax) Regulations (2011). Please refer to 'Group Structure' under Business Model in Section 2.2 where TRIG's offshore structure is also discussed.

The Investment Manager remains aware that political comment, particularly in the UK, raises the possibility of nationalisation of infrastructure. However, so far this commentary has predominantly focussed on rail and regulated infrastructure rather than on electricity generation assets.

Risk Management

Risk Management Framework

The Company has put a risk management framework in place covering all aspects of the Group's business. Given the nature of the Company (being an Investment Company where the Company outsources key services to the Investment Manager, Operations Manager and other service providers), reliance is placed on the Group's service providers' own systems and controls.

The identification, assessment and management of risk are integral elements of the Investment Manager's and the Operations Manager's work in both managing the existing portfolio and in transacting new investment opportunities. The Managers have established internal controls to manage these risks and they review and consider the Group's key risks with the Board on a quarterly basis. If a new risk arises or the likelihood of a risk occurring increases, a mitigation strategy is, where appropriate, developed and implemented together with enhanced monitoring by the Investment Manager and/or Operations Manager.

The Board's Management Engagement Committee also reviews the performance of the Investment Manager and Operations Manager (as well as all key service providers) annually and in particular this review includes a consideration of the Managers' internal controls and their effectiveness and the maintenance of a risk control matrix.

Given the limited number of expected disposals from the portfolio and the similar risk profile of the investments within the portfolio (i.e. they are all renewable energy infrastructure projects in the UK or Northern Europe with broadly similar contractual structures), the type and nature of the risks in the Group are not expected to change materially from period to period.

The following table summarises some important areas considered on a regular basis in the risk assessment process by risk category as set out in the Alternative Investment Fund Managers Directive:-

Category	Key Elements
Operational	Health and safety, risk of regulatory changes or breaches, fraud and management override, valuation error, political/regulatory changes, conflicts of interest, key man and service provider failure, breach of company policies or contractual covenants, energy yield, technology risk, project-level availability, equipment failure, project insurance, grid curtailment and outage, sub-contractor failure.
Liquidity	Fund-level portfolio liquidity, fund-raising, project-level liquidity and gearing
Counterparty	Contractual concentration, with several manufacturers, constructors and service suppliers involved across a number of projects
Credit	Risk of counterparty failure
Market	Power price, macro-economic (currency, interest rates, inflation), share price, competition
Tax	Limitation of tax relief on interest deductions, changes in corporation tax rates and other tax risks

Counterparty Exposures

Given the importance of state subsidies for investment in renewables, TRIG has exposure to the creditworthiness of and policy commitments by national governments and is reliant on the consistency of government policy, for example "grandfathering" within the UK whereby renewables generators continue to receive the same level of subsidy, set upon commissioning, for the duration of the incentive. In addition, each project company enters into a commercial PPA with a utility or energy trading company to enable them to sell the electricity generated and to receive the FiT or Renewables Obligation Certificate ("ROC") subsidy payments. The project companies have entered into PPAs with a range of providers. Each project company enters into a contract for the maintenance of the plant. In the case of wind, this is often with the turbine manufacturer. There are also contracts with construction companies who may be building or maintaining plant and/or have defect guarantees for past works. For both wind and solar sectors, projects may also benefit from equipment provider warranties.

The chart below provides an analysis of the exposure to PPA counterparties, equipment providers and maintenance contractors as measured against the portfolio valuation and against the number of projects in which the counterparty is involved.

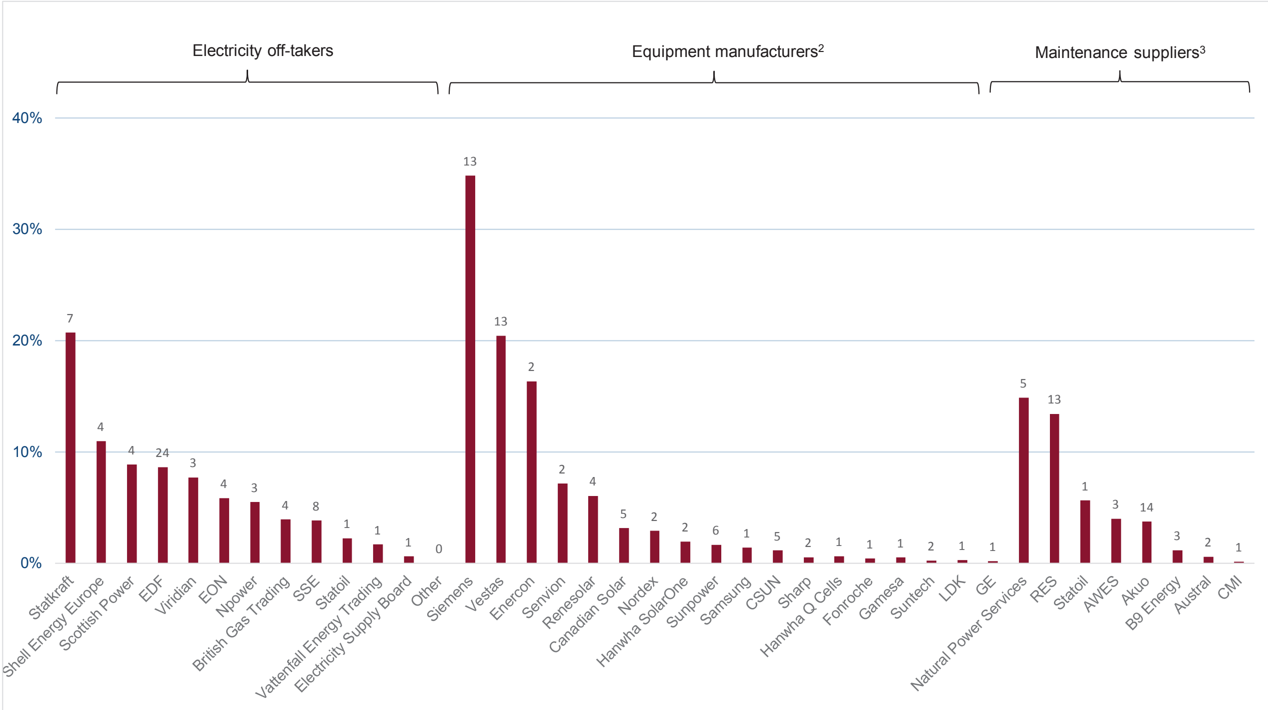
There are significant exposures to counterparties, for example, Statkraft and Shell (as electricity off-takers), Siemens and Vestas (as turbine suppliers and maintainers) and Natural Power and RES (as maintenance suppliers). The Managers have analysed the credit profile of these counterparties and are content with the risk. In the event that a counterparty or guarantor enters insolvency, then there is a risk of disruption while counterparties are replaced and a risk of distribution lock-up for the assets that are project financed.

No supplier or off-taker is currently involved in more than 35% of the projects by committed investment value or number (with the exception of RES, TRIG's Operations Manager, which has project asset management and/or maintenance roles in relation to a number of the projects in addition to the portfolio-level services it provides to TRIG). With involvement in 35% of TRIG's committed investment projects, Siemens is TRIG's largest counterparty, but the Managers is satisfied with Siemens's low credit profile. Some project companies have more than one counterparty in each category – where that is the case, the relative valuation of the associated project in the illustration below has been apportioned between counterparties

2.10 Risks and Risk Management

(continued)

Illustration of the range of PPA counterparties, equipment manufacturers and maintenance suppliers as at 31 December 2018 by relative value of associated projects[1] and number of projects:



1. By value, as at 31 December 2018, using the Directors' valuation. Some projects have more than one counterparty in a category, in which cases the valuation of the associated project is apportioned.
2. Equipment manufacturers generally also supply maintenance services.
3. Where separate from equipment manufacturers.

2.11 Stakeholders, Corporate Culture and Sustainability

Stakeholder Management
The Board believes in the importance of conducting business responsibly. That means behaving ethically, respecting people and the environment.

TRIG aims to maintain high standard of business conduct and stakeholder engagement and to ensure a positive impact on the community and environment in which it operates. This requires monitoring and consideration of its stakeholders by building strong relationships with suppliers, customers, communities and authorities among others.

TRIG's relationships with its stakeholders and its dedication to maintaining a responsible approach to investment, is essential to position TRIG well for the longer term – and is expected by its shareholders.

TRIG and its appointees work with many stakeholders in the management of the business in the following categories:-

Shareholders & the Board: The Board of Directors is ultimately accountable to the Shareholders for the running of the business and the making of key strategic decisions and all key appointments of service providers. The Board delegates certain activities including day-to-day investment management and operations management and works closely with all the key service providers. Shareholder interaction is regarded as a critical component of the management of TRIG and the Board works closely with the Managers, InfraRed and RES, with the Company Secretary, Aztec, and with the Company's brokers, Canaccord Genuity and Liberum, in order to keep abreast of the needs and concerns of shareholders.

Corporate-level suppliers: As well as the critical day-to-day oversight of the portfolio provided by InfraRed and RES, TRIG has a set of corporate providers which ensure the smooth running of the Company. In administration, Aztec provides consistent support for corporate and company secretarial activities, while Canaccord Genuity and Liberum act as key intermediaries between the Company and our shareholder base, working with the Managers to arrange meetings with current and prospective investors, monitoring equity market conditions and advising on capital raising activities, which have been regular given the growth of our industry. TRIG benefits from the commitment and flexibility of three corporate lenders for the Company's revolving acquisition facility, namely RBS, NAB and ING. Carey Olsen and Norton Rose Fulbright provide corporate legal support for the business in Guernsey and London respectively and tax services are provided by KPMG. Our registrar, Link Market Services (formerly Capita) maintains the shareholder register and manages the processing of shareholder communications with our other advisers. On the public relations side TRIG receives advice and practical coordination from Tulchan Communications. TRIG also accesses a number of key data providers, including technical reports in relation to acquisitions and regular power price forecasts and commentary from several specialised providers. The Company's auditor is Deloitte. Additional valuation services are provided by independent valuers from time to time. The Company also receives a range of other services including shareholder list analysis, webhosting, design and remuneration consulting.

Operational partners: TRIG benefits from co-investing alongside a number of joint venture partners, some being developers and vendors, such as Fred. Olsen Renewables and Akuo Energy and others being financial co-investment partners, for example Equitix. In each case, the Managers build on the relationship with the co-investor, providing representatives to attend project board meetings to coordinate and monitor the investment, with the additional potential to share best practices.

Vendors: TRIG's reputation for reliability and efficiency in transaction management with a variety of vendor counterparties (having now transacted with 13 counterparties) helps the Company to continue to derive value in origination by accessing projects off-market (including from RES itself under the right of first offer agreement).

Portfolio customers: As an energy provider, TRIG's key customers are PPA counterparties. These offtakers pay for and receive TRIG's portfolio companies' output – with revenues being payments for the renewables benefits as well as commercial power for those projects permitted to receive power market revenues.

Portfolio suppliers: TRIG's key operational suppliers include Original Equipment Manufacturer's ("OEMs"), spare part O&M providers and increasingly Independent Service Providers ("ISPs"). On construction projects the key suppliers are the EPC Contractors, turbine suppliers and balance of plant contractors. Utilities also provide certain site-specific services such as meter readings. The operations teams maintain relationships with the site land owners who receive rental payments. Lenders to the project companies include many leading domestic and international banking groups, TRIG's Managers maintain discussions with key lenders as there are opportunities to refinance projects as market conditions allow and this has been done selectively within the portfolio to date. Some of the key counterparties on the operational side are illustrated in the chart on page 56, Illustration of principal stakeholders.

Local communities: TRIG is conscious of its role in the local communities in which its projects operate. Close consultation with local planning authorities is an important feature of renewables whether in construction, during operations or preparing for the potential repowering or dismantling of a project. Socially, TRIG seeks to provide educational events at its larger sites, while also contributing via community funds to local projects ranging from playgroups to cultural events.

Economic activities around the sites provide additional demand for local goods and services as well as local employment opportunities for example in the maintenance of the sites and access. These are particularly valued in areas where a long-term urbanisation trend has resulted in reduction in the local rural economies.

TRIG seeks to promote best practices across the portfolio, in areas as diverse as noise monitoring, shadow flicker, ice throw, landscaping, the provision of community events and liaison with the local media.

2.11 Stakeholders, Corporate Culture and Sustainability (continued)

ESG Case Study: TRIG and the community

TRIG's investment companies support the development of social projects serving local community needs. In 2018, through dedicated Community Funds, direct awards to community projects and Local Electricity Discount Schemes (LEDs) across the portfolio, TRIG's total financial contribution to community and social projects exceeded £1million.
Community projects supported in 2018 range from the installation of new recycled vegetable planters and raised beds to create gardens at a primary school in Cornwall; to the purchase of a 'half-pipe' for a skatepark in North East Scotland.

Keith Rollerbladers, BMX & Skaters (KeRBS) were just one of seventeen projects supported by the Hill of Towie Community Fund in 2018. Young people are active on the KeRBS committee and take care of the skate park by undertaking regular litter picks. Approximately £4,000 was provided by the Fund towards the cost of the new half pipe (shown above).

KeRBS said "*We simply could not have done what we have without the support of the Hill of Towie Community Fund*"

TRIG believe that the people best placed to understand local priorities are the local community themselves. That's why all the community benefit funds associated with TRIG's wholly owned sites in the UK and Ireland, are administered by locally based organisations and overseen by our Operations Manager, RES.

Freasdail Wind Farm community fund entered its second year of funding distribution in Kintyre, Scotland in 2018. Tarbert and Skipness Community Trust, one of the administrative recipients awarded 17 grants to local groups for a range of good causes. These included the provision of uniforms for Loch Fyne Pipe Band, the purchase of a dinghy for Tarbert Toppers and support for an inaugural cycling event the Kintyre Loop Sportive. A representative from Tarbert and Skipness Community Trust said;

"*Tarbert and Skipness Community Trust would like to express their thanks to TRIG for the distribution of monies to the Trust in 2018. The money enables the Trust to support and encourage many local groups and projects, thus ensuring that the community are able to see a noticeable benefit locally.*"

In addition to financial contributions, TRIG supports its Asset Managers to allow and encourage different community groups, from primary schools to special interest groups, to visit sites for a tour and see sustainable electricity generation in action. Site visits are also facilitated with the local emergency services, to support the strong emphasis on safety across the group.

In August Site Manager, Fraser Gordon hosted a visit from Kirkcaldy Fire Station at Earlseat Wind Farm, Scotland. The purpose of the visit was to share information so that, should an emergency occur, both RES and the emergency services are able to work collaboratively together for the benefit of the site and the community. Fraser showed fire officers inside one of the turbines and around the substation. He explained how the wind farm operates and went through emergency and evacuation procedures. The visit was greatly appreciated by the Fire Brigade, many of whom had not visited an operational wind farm before.

Where appropriate TRIG engages contractors with a presence which is local to its sites to maximise the 'local content' of its investments.

During 2018 TRIG began the construction of Solwaybank Wind Farm in Dumfries and Galloway, Scotland. The intention has been to use as many local businesses as possible to maximise the benefit to the local economy and also to realise the value which can be achieved by using contractors which have a good knowledge of the site and the local conditions.

So far, a range of local businesses have been awarded contracts for the construction of Solwaybank including Grange Quarry (located three miles from the site entrance) who have supplied aggregate for the construction of the site tracks and hard standings.

To date RES have awarded in excess of £1.5m in contracts to firms within 30km of the site and we expect to support more local businesses as construction continues throughout 2019

Local Contractor, Hansons, pouring concrete for a foundation at Solwaybank Wind Farm, December 2018.

2.11 Stakeholders, Corporate Culture and Sustainability (continued)

Other external stakeholders: The Company maintains a close dialogue, through its Managers, with key regulators as well as with the regulated networks, such as National Grid and the relevant network operators in the UK. At a policy level, TRIG's Managers monitor EU requirements and engage with key government departments and regulatory bodies. At the network level, TRIG's Managers and O&M providers communicate in several areas for example on grid outage issues, on the role of renewables assets as locally embedded suppliers of energy as well as on technical or contractual issues. In the investment company space, the Association of Investment Companies (AIC) plays a key role in shaping the influence of this growing segment of the London market and TRIG seeks to apply AIC guidelines where relevant to its business and maintains an active dialogue as one of the leading companies in its sub-sector. The Managers also keep market financial analysts appraised of TRIG's strategy, performance and outlook.

Illustration of principal stakeholders

The Company

TRIG

- Shareholders
- Board of Directors

Corporate-Level Stakeholders

- Investment Manager (InfraRed Capital Partners)
- Operations Manager (res power for good)

Other corporate suppliers
- Administration & secretarial
- Corporate broking
- Revolving facility providers
- Legal
- Registrars
- Public relations
- Auditing/tax
- Data services/other

External/Portfolio Stakeholders

Operational partners
- Fred. Olson/Akuo Energy/ Equitix/GIG/Equinor

Vendors
- Utilities & other developers
- RES or InfraRed (as vendor)

Portfolio customers
- PPA counterparties

Portfolio suppliers
- OEMs & spare part providers
- O&M providers
- Land owners
- Project financing & swaps

Local communities
- Local authorities
- Community funds
- Employment opportunities
- Events – schools/clubs
- Environmental maintenance

Other external stakeholders
- EU, Government & Ofgem
- Grid networks
- Renewables industry community
- AIC & London Stock Exchange
- Media
- Market analysts

Anti-Bribery and Corruption

Although TRIG has no employees, TRIG is committed to respecting human rights in its broader relationships.

TRIG does not tolerate corruption, fraud, the receiving of bribes or breaches in human rights. Both InfraRed and RES have anti-corruption and bribery policies in place in order to maintain standards of business integrity, a commitment to truth and fair dealing and a commitment to complying with all applicable laws and regulations.

Both Managers have training for anti-bribery and corruption which all employees are required to complete annually.

All counterparties undergo a stringent process to mitigate against bribery and corruption. When InfraRed completes acquisitions on behalf of TRIG, there is vendor due diligence and all sales and purchase agreements are required to have anti bribery and corruption protection clauses.

Corporate Culture

The Company's approach to sustainability and corporate culture includes:

- Considering the risk culture of the Company on a regular basis to confirm it is appropriate and expected to support the sustainability of the company and consistent with the risk appetite;
- Embedding and improving on good practices in the day-to-day management processes – which are assessed by the Board in the course of the quarterly Board meetings as well as in a wide range of ad hoc interactions during the year;
- Promoting an appropriate culture of stewardship, responsibility, accountability and openness; and
- A focus by the Board and Managers on appropriate interaction with key stakeholders, including shareholders, lenders, regulators, vendors, co-investors and suppliers.

The Board and Managers prioritise engagement with the investment community, the renewables industry and regulators where the Company's progress can be measured amongst the broader stakeholders. The Chairman, Helen Mahy, sets the bar high in creating and maintaining an effective corporate culture, for example, by her active advocacy of equal opportunities. Outside TRIG, Helen is a member of the steering committee of the Parker Review into the Ethnic Diversity of UK boards which was published in October 2017 and a patron of a charity, the Social Mobility Business Partnership.

The TRIG Board has chosen to adopt a definitive policy with quantitative targets for Board diversity and holds the Managers to account on their progress on inclusion and diversity in the promotion and inclusion of their workforce.

As TRIG has no employees beyond the non-executive Board, the Directors look through to the culture of TRIG's key service providers in annual review processes as well as on an ongoing basis. The Board interacts regularly with staff of the Managers both at senior and operational levels, in both formal and informal settings. This promotes greater openness and trust between the key individuals engaged in delivering against the Company's objectives and ensures the Managers remain fully aligned with the Company's corporate culture and approach to sustainability. The Board also engages closely throughout the year with the Company's administrator, brokers, and legal and public relations advisers to gauge the broader positioning and direction of the business.

In addition to the Board Meetings being attended by the core senior RES and InfraRed teams, other more junior members from RES and InfraRed are encouraged to join. Not only does this aid their development, but it also allows the Board to gain insight into how supported senior management are and how prepared the Managers are in relation to key man risk and long-term succession planning.

The Investment Manager, InfraRed Capital Partners, has a strong and clear set of Values – which it promotes and monitors both group-wide and at the individual level (through assessments) – focusing on the principles of Passion, Curiosity, Trust, Partnership and Fulfilment.

InfraRed also adopts and implements the Principles for Responsible Investment ("PRI") (an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact) which are widely recognised and highly regarded around the world. In the annual assessment by PRI, InfraRed has achieved excellent ratings, standing well above industry standards for the last four consecutive years. The PRI can be summarised as follows:

- to showcase leadership in responsible investment;
- to incorporate sustainability issues into investment analysis and decision-making;
- to be active owners and incorporate sustainability issues into ownership policies and practices;
- to seek appropriate disclosures on sustainability issues by the entities in which the investments are made;
- to promote acceptance and implementation of PRI within the investment industry; and
- to report on activities and progress towards implementing the PRI.

Culture is very important for the Operations Manager, RES, from both a business perspective and to RES people. The RES culture is what enables its strategy and what motivates its people to perform.

RES' leadership maintains that as the organisation grows and adapts, it remains true to its culture, heritage and vision to create a future where everyone has access to affordable low carbon energy. RES' core values are most simply reflected in their statement Passion, Accountability, Collaboration and Excellence.

RES supervises a range of activities at a corporate level, to support staff in their own volunteering and charitable fundraising endeavours. At a portfolio level, activities are designed to enhance the interaction with the local communities as well as to make a difference to the amenities available in often remote locations where TRIG's projects are sited.

RES operates an equal opportunity and diversity policy and is committed to ensuring all employees and job applicants are treated equally and fairly without regard to sex, marital status, race, colour, nationality, ethnic or national origins, age, religion or belief, sexual orientation or, where not relevant to the job, status as an ex-offender. In 2018 RES launched a global gender diversity strategy with groups established in each of RES' operating countries to ensure the strategy is implemented.

Sustainability

The overall environmental contribution of the investment portfolio is substantial, with the portfolio as at 31 December 2018 capable of producing enough clean energy annually to power the equivalent of 650,000 homes in the UK and avoiding the emission of 550,000 tonnes of CO_2 annually.

The integration of generating plants into the landscape is optimised to seek the maximum renewable energy generation while minimising any local impacts through extensive consultation with statutory consultees, local authorities and the local communities. Engagement with stakeholders once assets become operational is maintained at the highest standards.

As Operations Manager, RES has responsibility for monitoring the operational performance of the asset portfolio as well as acting as the interface with underlying third-party asset managers or O&M contractors. With RES' long history of developing and operating assets in the renewable energy sector in the UK, France and Ireland, as well as elsewhere around the world, it has developed a reputation for establishing and maintaining best practices in sustainability matters with staff dedicated to support its operational management activities in these areas.

2.11 Stakeholders, Corporate Culture and Sustainability (continued)

ESG Case Study: TRIG and the Environment

TRIG ensures compliance with all relevant legislation and planning conditions and endeavours to offer best practice through the construction and operational phases of their projects.

During the development phase, every project acquired or invested in by TRIG will have been the subject of a formal Environmental Impact Assessment (EIA). TRIG reviews the EIA of every project as part of its due diligence process prior to acquiring any new asset. Many of TRIG's assets incorporate habitat management measures to mitigate the original impact of construction and enhance natural habitats.

RES operates policies and procedures which cover matters including Emergency spill responses, Health, Safety and Environment plans and waste management plans and are ISO 14001 accredited. Environmental performance is key in the selection of contractors and details of site specific Construction Method Statements and Habitat Management plans are agreed, where applicable, with planning authorities and other relevant consultees.

Wetland habitat enhancement area at Garreg Lwyd wind farm in Wales

At Garreg Lwyd wind farm habitat management measures are focussed on benefitting key species identified as conservation priorities on the site. These include: bats, great crested newts and breeding waders. Practical measures have been implemented to improve the condition and practical extent of habitats such as hedgerows, stream corridors and ponds. Monitoring results for 2018 (the site's second year in operation) are promising, with the number of breeding waders having increased compared to the monitoring results in 2017.

Bee meadow at Akuo's Midi solar plant in France

At the Midi and Plateau solar parks in France, a bee meadow has been planted between the solar panels in order to provide natural sources of food for bees. This land is also used by a local sheep farmer to graze his flock, as occurs on many of the solar farms.

TRIG aims to develop collaborative relationships with its landowners and other stakeholders, so that on most sites complimentary land use activities can continue, and land is not taken out of agricultural production

This philosophy is clearly apparent at the Agrinergie solar sites on the French La Reunion Islands. Agrinergie® is an innovative concept established by Akuo, TRIG's joint shareholder in the Agrinergie I, III and V projects. Agrinergie® combines farming and energy production, providing shelter from intense sun or damaging heavy rains.

Using the revenue generated from the sale of electricity, the projects finance all the improvements needed for the farming of the land, working with the project's agricultural partners. Depending on locally identified needs, the best suited to the type of farming method is selected with panels mounted on the ground, on sun-shades or on greenhouses.

Agrinergie I is the first solar plant, with an Agrinergie® element mounted on agricultural greenhouses, to be installed on Réunion. In a market where imports have slowly pushed out local production, these greenhouses have helped rebuild the island's high-quality production of cut flowers. In addition, the project's five photovoltaic greenhouses are able to withstand tropical cyclones and protect the fragile flowers from insects and other parasites.

Disclosure

On the basis of the Managers' recommendations the Directors have considered the existing sustainability and corporate culture policies relative to good industry practice as applicable to an infrastructure investment company and believe them to be current and appropriate.

The Board remains committed to high standards of corporate governance and keeps the Company's practices under review with respect to current best practice. Further details of how the Company complies with the various corporate governance standards are set out in the section on Corporate Governance and Regulatory Matters.

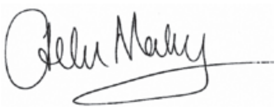
The Board wishes to be at the forefront of disclosure and reporting of the Company's performance and strategic intentions. The Board believes this is achieved by the communications as follows:

- annual report and accounts;
- interim statement and accounts;
- detailed presentations to accompany the results;
- announcements of all material acquisitions; and
- meetings with shareholders held by the Investment Manager and the Operations Manager.

The Company's website (www.TRIG-Ltd.com) which includes the Company's prospectuses, financial disclosures and other announcements since launch provides further information on TRIG and its investments.

Disclosure of key sensitivities and risks has been developed by the Board working with the Managers. The level and type of disclosure has been developed and refined in order to assist in a full and fair analysis of the Company and its investments.

This Strategic Report is approved by the Board of Directors of The Renewables Infrastructure Group Limited



18 February 2019

Registered Office:
East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3PP

Altahullion, Northern Ireland ©Keith Arkins

03
Board of Directors

Board of Directors

Members of TRIG's Board of Directors, all of whom are non-executive and independent of the Managers, are listed below.

Helen Mahy CBE (*Chairman, appointed 14 June 2013*), aged 57, is an experienced chairman and non-executive director. In addition to being Chairman of TRIG, Helen serves as a non-executive director for SSE plc and Bonheur ASA. She is also currently Chairman of MedicX Fund Limited. However, this Company has announced a merger with Primary Health Properties plc ("PHP") which is expected to complete in March 2019. On completion, Helen will step down as Chair of Medix Fund Limited and become Deputy Chairman and Senior Independent Director of PHP. Previous Directorships include SVG Capital plc, Stagecoach Group plc and Aga Rangemaster Group plc. Helen was Group Company Secretary and General Counsel of National Grid plc and was a member of its Executive Committee from September 2003 to January 2013 when she retired from National Grid plc. Helen qualified as a barrister and was an Associate of the Chartered Insurance Institute. In 2015 she was awarded a CBE for services to business, particularly relating to diversity in the workplace. Helen is a resident of the UK.

Jon Bridel (*Director, appointed 14 June 2013*), aged 54, currently serves across various listed and unlisted companies as a Director or non-executive Chairman. These include Alcentra European Floating Rate Income Fund Limited (until 30 June 2019), Starwood European Real Estate Finance Limited, Sequoia Economic Infrastructure Income Fund Limited and Funding Circle SME Income Fund Limited, as well as DP Aircraft I Limited and Fair Oaks Income Limited. Jon previously worked as Managing Director of Royal Bank of Canada's investment businesses in the Channel Islands and in senior management positions in the British Isles and Australia in banking, specialising in corporate and commercial credit and in private businesses as Chief Financial Officer. Graduating from the University of Durham with a degree of Master of Business Administration in 1988, Jon also holds qualifications from the Institute of Chartered Accountants in England and Wales where he is a Fellow, the Australian Institute of Company Directors and is a Chartered Marketer. Jon is a member of the Chartered Institute of Marketing, a Chartered Director and Fellow of the Institute of Directors and a Chartered Fellow of the Chartered Institute for Securities and Investment. Jon is a resident of Guernsey.

Shelagh Mason (*Director, appointed 14 June 2013*), aged 59, is an English property solicitor. She was Senior Partner of Spicer and Partners Guernsey LLP until November 2014 and is now a consultant with Collas Crill LLP, specialising in English commercial property. She is also non-executive Chairman of the Channel Islands Property Fund Limited which is listed on the The International Stock Exchange Authority Limited and Chairman of Riverside Capital PCC, recently appointed to the Board of Skipton International Limited and she also holds other non-executive positions. Previously Shelagh was a member of the board of directors of Standard Life Investments Property Income Trust, a property fund listed on the London Stock Exchange for 10 years until December 2014. She retired from the board of MedicX Fund Limited, a main market listed investment company investing in primary healthcare facilities in 2017 after 10 years on the board. She is a past Chairman of the Guernsey Branch of the Institute of Directors and a member of the Chamber of Commerce, the Guernsey International Legal Association and she also holds the IOD Company Direction Certificate and Diploma with distinction. Shelagh is a resident of Guernsey.

Klaus Hammer (*Director, appointed 1 March 2014*), aged 63, is a graduate of the University of Hamburg and gained an MBA at IMD Lausanne. He was previously Chief Operating Officer of the global combined-cycle gas turbine power plant business of EON, and also served on a variety of boards including EON Värmekraft Sverige AB, Horizon Nuclear Power Ltd. and the UK Association of Electricity Producers. Prior to EON, which he joined in 2005, he spent 20 years with Royal Dutch Shell in a variety of roles in both Europe and Africa. Among his other recent roles, he was a public member of Network Rail until mid-2014. Klaus also advises investors in energy-related businesses. Recently he supported the setting-up of a major defence contractor on an interim basis as Executive Finance Director in Australia. Klaus is a resident of Germany.

Taurbeg, Republic of Ireland

Broxburn Battery Storage, Scotland ©Keith Arkins

04
Statement of Directors' Responsibilities

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. The Companies (Guernsey) Law, 2008, as amended, requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Article 4 of the IAS Regulation and applicable law.

Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the company's ability to continue as a going concern.

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 (Guernsey) Law, 2008. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report and Corporate Governance Statement. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with International Financial Reporting Standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- The Chairman's Statement and Report of the Directors include a fair review of the development and performance of the business and the position of the Company and Group taken as a whole together with a description of the principal risks and uncertainties that it faces; and
- The annual report and financial statements when taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Disclosure of information to the Auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and that each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

On behalf of the Board of Directors of The Renewables Infrastructure Group Limited

18 February 2019

Registered Office:
East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands, GY1 3PP

Altahullion, Northern Ireland ©Keith Arkins

Hill of Towie, Scotland ©Keith Arkins

05

Report of Directors

Report of the Directors

The Directors present their report and accounts of the Company for the year to 31 December 2018.

Principal activity

The Company is a closed-ended Guernsey incorporated investment company, investing in and managing a portfolio of investments in renewable energy infrastructure project companies. Its shares have a premium listing on the Official List of the UK Listing Authority and are traded on the main market for listed securities of the London Stock Exchange.

Results and distributions

The results for the year are summarised in the Operational and Financial Review and Valuation of the Group's Portfolio section of the Strategic Report (Sections 2.6 and 2.7) and set out in detail in the audited financial statements.

Distributions and Share Capital

The Company has declared four quarterly interim dividends for the year ended 31 December 2018 for an aggregate annual dividend of 6.50p (2017: 6.40p) per share as follows:

- 1.625p per share was declared on 10 May 2018, to shareholders on the register as at 18 May 2018, paid on 29 June 2018,
- 1.625p per share was declared on 2 August 2018, to shareholders on the register as at 17 August 2018, paid on 28 September 2018,
- 1.625p per share paid on 8 November 2018, to shareholders on the register as at 16 November 2018, to be paid on 31 December 2018, and
- 1.625p share was declared on 7 February 2019, to shareholders on the register on 15 February 2019, to be paid on 29 March 2019.

The Company had one class of share capital, Ordinary Shares, in issue as at 31 December 2018.

Shares in Issue

Ordinary Shares in issue have increased during the year from 947,342,959 to 1,178,372,755 as a result of further share issues, issues of shares to the Managers in lieu of fees pursuant to the Investment Management Agreement (in relation to InfraRed Capital Partners Limited) and the Operations Management Agreement (in relation to Renewable Energy Systems Limited) and take up of scrip shares in lieu of dividends.

Date	Description	New Ordinary Shares Issued	Number of Shares in Issue
31 December 2017	Opening Position	947,342,959	947,342,959
16 March 2018	Tap issue	54,858,016	1,002,200,975
31 March 2018	Issue of scrip dividend shares in lieu of 2017 4th (Q4) interim dividend	2,536,893	1,004,737,868
31 March 2018	Issue of shares to the Managers in lieu of fees relating H2 2017	946,862	1,005,684,730
18 April 2018	Tap issue	5,000,000	1,010,684,730
1 May 2018	Tap issue	5,000,000	1,015,684,730
21 May 2018	Tap issue	7,000,000	1,022,684,730
8 June 2018	Tap issue	5,000,000	1,027,684,730
29 June 2018	Issue of scrip dividend shares in lieu of 2018 1st (Q1) interim dividend	3,481,930	1,031,166,660
6 July 2018	Tap issue	59,954,401	1,091,121,061
18 July 2018	Tap issue	5,000,000	1,096,121,061
8 August 2018	Tap issue	5,500,000	1,101,621,061
28 September 2018	Issue of scrip dividend shares in lieu of 2018 2nd (Q2) interim dividend	2,844,776	1,104,465,837
28 September 2018	Issue of shares to the Managers in lieu of fees relating to H1 2018	957,548	1,105,423,385
16 November 2018	Bookbuild fundraise	71,867,849	1,177,291,234
21 December 2018	Issue of scrip dividend shares in lieu of 2018 3rd (Q3) interim dividend	1,081,521	1,178,372,755
31 December 2018	Closing Position	1,178,372,755	1,178,372,755

Share Issues in the Year

Over 2018, the Company issued 219,180,266 shares over nine equity issues (excluding the issuance of Managers' shares and scrip issues). These issues raised gross proceeds of £235.6m at a premium to NAV.

Three larger issues took place in March, July and November raising aggregate gross proceeds of £200.8m shares. The March fundraise resulted in the issue of 54,858,016 shares at 105.0p each. The July fundraise resulted in the issue of 59,954,401 shares at 107.0p. The November bookbuild fundraise resulted in the issue of 71,867,849 shares at 110.0p.

In addition, there were six smaller market maker taps which raised gross proceeds of £34.8m at issue prices ranging between 105p per share and 110p per share. These market maker tap resulted in the issue of 32,500,000 shares.

The net proceeds of these raisings have been used to acquire assets over the period for the TRIG portfolio and to pay down the Company's revolving acquisition facility. At the 31 December 2018, the Company's acquisition facility was not drawn.

The Company made commitments of £348.0m, of which £143.4m was invested during the year and £204.6m of future commitments remain at the year-end as outlined in the Acquisitions section on page 31 of the Strategic Report. In addition, the Company repaid the acquisition facility debt which was £106.4m drawn at the start of the year. These cash outflows were funded through a combination of £233.8m of share capital raised (net of costs) through the issue at premium to NAV of 219.2m ordinary shares over the year, and also the reinvestment of surplus cash generated from the Company's portfolio.

Shares Issued to the Managers

The Managers are paid 20% of their annual management and advisory fees in shares. In relation to this, 946,862 shares were issued in March 2018 (615,460 to the Investment Manager and 331,402 to the Operations Manager) relating to fees for the second six months of 2017. A further 957,548 shares were issued in September 2018 (622,406 to the Investment Manager and 335,142 to the Operations Manager) relating to fees for the first 6 months of 2018. Shares in lieu of fees relating to the second six months of 2018 (expected to be 939,843 shares in total – comprised of 610,899 to the Investment Manager and 328,944 to the Operations Manager) are to be issued in March 2019. (See note 18 to the financial statements for further detail).

For the calculation of Net Asset Value ("NAV") per share as at 31 December 2018, the shares earned by the Managers but not yet issued at that date have been included in the number of shares meaning that the Net Assets are divided by 1,179,312,598 shares to arrive at the NAV per share.

For the calculation of Earnings per Share ("EPS"), the shares earned by the Managers but not yet issued have been included in the calculation of the weighted average number of shares based upon them being issued at the end of the quarter in which the management fees were earned. The resulting weighted average shares in issue used to calculate EPS is 1,052,862,793.

As a result of the share issues during the year and the expected issuance to the Managers in March 2019, the number of shares in the Company held by the Investment Manager[16] is expected to be 3,192,993 and the number of shares held by the Operations Manager is expected to be 2,616,080.

Scrip Shares

An annual ordinary resolution to authorise the Directors to offer the shareholders the right to receive further Ordinary Shares ("Scrip Shares") instead of cash in respect of all or part of any dividend that may be declared will be proposed at the forthcoming Annual General Meeting in 2019.

The Board believes that it would be in the general interest of shareholders, who may be able to treat distributions of Scrip Shares as capital for tax purposes or who may otherwise wish to roll over their dividend entitlement into further investment in the Company, to have the option of electing to receive part or all of their dividends in the form of Scrip Shares. Shareholders who elect to take Scrip Shares instead of receiving cash dividends will increase their holdings without incurring dealing costs or stamp duty. The Company benefits from the retention of cash for further investment which would otherwise be paid out as dividend.

The scrip dividend alternative was offered to shareholders in relation to the interim dividends declared for the year ended 31 December 2018. A scrip alternative will again be offered to shareholders for the dividend to be paid on 29 March 2019 relating to the final quarter of 2018 and a scrip dividend circular will be published separately in May 2019 with details of the scrip dividend alternative for 2019. The Scrip Shares issued do not have any entitlement to the dividends paid in the same month and declared in the month before they are issued. The average take-up of scrip dividends over the year was 15.7%.

Guernsey regulatory environment

As a Guernsey-registered closed-ended investment company, TRIG is subject to certain ongoing obligations to the Guernsey Financial Services Commission.

Directors

The Directors who held office during the year to 31 December 2018 were:

Helen Mahy CBE
Jon Bridel
Shelagh Mason
Klaus Hammer

Biographical details of each of the Directors are shown on page 62.

16 Some shares are held by the Investment Manager's group for the benefit of employees and partners of the group

Report of the Directors

(continued)

Investment Manager

InfraRed Capital Partners Limited (the "Investment Manager" or "InfraRed") acts as Investment Manager to the Group. A summary of the contract between the Company, its subsidiaries and InfraRed in respect of services provided is set out in Note 18 to the accounts.

Operations Manager

Renewable Energy Systems Limited (the "Operations Manager" or "RES") acts as Operations Manager to the Group. A summary of the contract between the Company, its subsidiaries and RES in respect of services provided is set out in Note 18 to the accounts.

Further details of the Managers are provided in Section 2.2 of the Strategic Report.

Broker, Administrator and Company Secretary

The Company's joint brokers during the year to 31 December 2018 were Canaccord Genuity Limited and Liberum Capital Limited.

The Company's Administrator during the year to 31 December 2018 is Aztec Financial Services (Guernsey) Limited.

Substantial interests in share capital

As at 18 February 2019, the Company has received notification in accordance with the Financial Conduct Authority's Disclosure and Transparency Rule 5 of the following interests in 5% or more of the Company's Ordinary Shares to which voting rights are attached:

	Number of Ordinary Shares Held	Percentage Held
M&G Investment Management	106,465,223	9.03
Newton Investment Management	92,212,687	7.83
Investec Wealth & Investment Limited	79,349,259	6.73

Donations

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

Payment of suppliers

It is the policy of the Company to settle all suppliers in accordance with the terms and conditions of the relevant market in which it operates. Although no specific code or standard is followed, suppliers of goods and services are generally paid within 30 days of the date of any invoice. The Company has no trade creditors.

Criminal Finances Act

The Board of The Renewable Infrastructure Company Limited has a zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion. The Board has satisfied itself in relation to its key service providers that they have reasonable provisions in place to prevent the criminal facilitation of tax evasion by their own associated persons and will not work with service providers who do not demonstrate the same zero tolerance commitment to preventing persons associated with it from engaging in criminal facilitation of tax evasion.

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 Strategic Report on pages 11 to 59. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review section of the Strategic Report on pages 42 to 45. In addition, notes 1 to 4 to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has the necessary financial resources to meet its obligations. The Group benefits from a range of long-term contracts with various major UK and European utilities and well-established suppliers across a range of infrastructure projects. In addition, it maintains a working capital component of £20m as part of its revolving acquisition facility (currently sized at £340m and limited to 30% of Portfolio Value). The Group's project-level financing is non-recourse to the Company and is limited to 50% of Gross Portfolio Value. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

This conclusion is based on a review of the Company's cash flow projections including reasonably expected downside sensitivities together with cash and committed borrowing facilities available to it.

Viability Statement

The Directors have assessed the viability of the Group over a five-year period to December 2023. In making this statement the Directors have considered the resilience of the Group, taking account of its current position, the principal risks facing the business (being the level of electricity production, the level of future energy prices and continued government support for renewable subsidy payments), in severe but plausible downside scenarios, and the effectiveness of any mitigating actions.

As explained in the Chairman's Statement and in Section 2.10 (Risks and Risk Management), the Directors do not consider the risks to the Company from Brexit to significantly affect the principal risks set out above.

As part of being a self-managed Alternative Investment Fund, the Directors, together with the Managers, rigorously assess the risks facing the Group and consider sensitivity analysis against the principal risks identified.

The Directors have determined that the five-year period to December 2023 is an appropriate period over which to provide this viability statement as this period accords with the Group's business planning exercises and is appropriate for the investments owned by the Group.

TRIG is the owner of a portfolio of project companies whose underlying assets are predominately fully constructed and operating renewable electricity generating facilities. As a result TRIG benefits from predictable long term cash flows and a set of risks that can be identified and assessed. The projects are each supported by detailed financial models. The Directors believe that the diversification within the portfolio of projects helps to withstand and mitigate for the risks it is most likely to meet.

The Investment Manager prepares and the Directors review summary five-year cash flow projections each year as part of business planning and dividend approval processes. The projections consider cash balances, key covenants and limits, dividend cover, investment policy compliance and other key financial indicators over the period. Sensitivity analysis considers the potential impact of the Group's principal risks actually occurring (individually, and together). These projections are based on the Managers' expectations of future asset performance, income and costs, and are consistent with the methodology applied to provide the valuation of the investments. The Directors review significant changes to the Company's cash projections each quarter with the Managers as part of the quarterly Board meetings. The viability assessment assumes continued government support for existing subsidy arrangements for the projects within the portfolio that are spread across four jurisdictions (UK, Ireland, Sweden and France). Where governments change subsidy arrangements applying to renewables projects these changes are expected to apply only to projects not yet operating.

Based on this review, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to December 2023.

Internal Controls Review

Taking into account the information on principal risks and uncertainties provided on pages 48 to 52 of the Strategic Report and the ongoing work of the Audit Committee in monitoring the risk management and internal control systems on behalf of the Board (see pages 85 to 89 of the Audit Committee report), the Directors:

- are satisfied that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity; and
- have reviewed the effectiveness of the risk management and internal control systems and no significant failings were identified.

To enable the Directors to provide this statement in relation to risks and controls the Directors have worked with the Managers to:

- review the Company's risk matrix each quarter;
- consider each Manager's compliance with their own internal controls each quarter:
- to receive presentations from each Manager on the effectiveness of these controls and their internal controls environment;
- consider the Company's risk appetite, agree this with the Managers and document this; and
- consider the risk culture of the Company and within the Managers and confirm these are appropriate and expected to support the sustainability of the company and consistent with the risk appetite.

Share repurchases

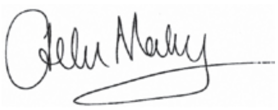
No shares have been bought back in the period. The latest authority for the Company to make market purchases of Ordinary Shares was granted to the Directors on 10 May 2018 and expires on the date of the next Annual General Meeting. The Directors are proposing that their authority to buy back shares be renewed at the forthcoming Annual General Meeting.

Treasury shares

Section 315 of the Companies (Guernsey) Law, 2008 allows companies to hold shares acquired by market purchase as treasury shares, rather than having to cancel them. Up to 14.99% of the number of shares in issue at the date of the last AGM (10 May 2018) may be held in treasury and may be subsequently cancelled or sold for cash in the market. This gives the Company the ability to reissue shares quickly and cost efficiently, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base.

There are currently no shares held in treasury. The Board would only authorise the sale of shares from treasury at prices at or above the prevailing net asset value per share (plus costs of the relevant sale). If such a measure were to be implemented, this would result in a positive overall effect on the Company's net asset value. In the interests of all shareholders, the Board will keep the matter of treasury shares under review.

On behalf of the Board of Directors of The Renewables Infrastructure Group Limited



18 February 2019

Registered Office:
East Wing, Trafalgar Court, Les Banques,
St Peter Port
Guernsey, Channel Islands, GY1 3PP

Rosières, France

06 Corporate Governance Statement

Corporate Governance Statement

Introduction

The Board recognises the importance of a strong corporate governance culture that meets the listing requirements. The Board has put in place a framework for corporate governance which it believes is appropriate for an investment company in line with the best practices in relation to matters affecting shareholders, communities, regulators and other stakeholders of the Company. With a range of relevant skills and experience, all Directors contribute to the Board discussions and debates on corporate governance. In particular, the Board believes in providing as much transparency for investors as is reasonably possible to ensure investors can clearly understand the prospects of the business and enhance liquidity of its shares while also preserving an appropriate level of commercial confidentiality.

AIFM Directive

The Alternative Investment Fund Managers Directive seeks to regulate alternative investment fund managers (in this paragraph, "AIFM") and imposes obligations on managers who manage alternative investment funds (in this paragraph, "AIF") in the EU or who market shares in such funds to EU investors. The Company is categorised as a self-managed Non EEA AIF for the purposes of the AIFM Directive. In order to maintain compliance with the AIFM Directive, the Company needs to comply with various organisational, operational and transparency obligations.

Association of Investment Companies

The Company is a member of the Association of Investment Companies (the "AIC") and has considered the principles and recommendations of the AIC Code of Corporate Governance (the "AIC Code") and has decided to follow the AIC's Corporate Governance Guide for Investment Companies (the "AIC Guide"). The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive directors' remuneration and the need for an internal audit function. For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company as it has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Guernsey regulatory environment

The Guernsey Financial Services Commission (the "Commission") issued a Finance Sector Code of Corporate Governance. The Code comprises Principles and Guidance, and provides a formal expression of good corporate practice against which shareholders, boards and the Commission can better assess the governance exercised over companies in Guernsey's finance sector.

The Commission recognises that the different nature, scale and complexity of specific businesses will lead to differing approaches to meeting the Code. Companies which report against the UK Corporate Governance Code or the AIC Code are also deemed to meet this code. The Directors have determined that the Company will continue as a Guernsey-registered closed-ended investment company.

Non-Mainstream Pooled Investments

On 1 January 2014, certain changes to the FCA rules relating to restrictions on the retail distribution of unregulated collective investment schemes and close substitutes came into effect.

As announced by the Company on 7 January 2014, following the receipt of legal advice the Board confirms that it conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner and that Independent Financial Advisers should therefore be able to recommend its Ordinary Shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products.

The Board

The Board consists of four non-executive Directors. In accordance with Principle 2 of the AIC Code all of the non-executives are independent of the Investment Manager. The Chairman, Helen Mahy, met the independence criteria of the AIC Code Principle 1 upon appointment and has continued to meet this condition throughout her term of service. Although not a requirement of the AIC Code, in accordance with guidance in Principle 1, the Board has a Senior Independent Director, Shelagh Mason, who was appointed as Senior Independent Director in 2013. Being non-executive Directors, none of the Directors has a service contract with the Company.

The Articles of Incorporation provide that each of the Directors shall retire at each annual general meeting in accordance with Principle 3 of the AIC Code. All four Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on 7 May 2019.

The Board believes that long serving Directors should not be automatically prevented from forming part of an independent majority of the Board upon reaching nine years' service. In accordance with Principle 4 of the Code, if a Director has served more than nine years, the Board will consider the issue of independence carefully on an annual basis as part of the Board self-evaluation and will disclose its conclusions in the Directors' Report. As the Company was formed in 2013 no Director has yet served for nine years or more. A Director who retires at an annual general meeting may, if willing to act, be reappointed. The Directors are not subject to automatic re-appointment.

The Board believes that the balance of skills, gender, experience and knowledge of the current Board provides for a sound base from which the interests of investors will be served to a high standard. Following the growth of the Company in recent years, the Board is initiating the recruitment of a 5th non-executive Director. The Board has chosen to adopt a definitive policy with quantitative targets for Board diversity. The Company aspires to equal representation of men and women on the Board and from 1 March 2014 this was achieved. However, gender, knowledge, skills, experience, residency and governance credentials are all considered by the Nominations Committee when recommending appointments to the Board and in formulating succession plans. Notwithstanding this, the selection of the preferred individual to be invited to join the Board will always be based on merit.

The Board requires the Investment Manager and the Operations Manager, to whom the day to day management of the Company is delegated, to present to them on their own diversity policies, targets and achievements as part of the review of the Managers carried out by the Management Engagement Committee.

The Board recommends the re-election of each Director and supporting biographies are disclosed on page 62 of this annual report.

The Board is scheduled to meet at least four times a year and between these formal meetings there is regular contact with the Investment Manager and Operations Manager, the Secretary and the Company's Joint Brokers. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company that should be brought to the attention of the Directors. The Directors also have access, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The attendance record of Directors for the period to 31 December 2018 is set out below:

	Quarterly Board meetings	Audit Committee	Management Engagement Committee	Remuneration Committee	Nomination Committee	Market Disclosure Committee
Number of meetings	4	4	4	3	3	2
Meetings Attended:						
H Mahy	4	N/A*	4	3	3	1
J Bridel	4	4	4	3	3	2
S Mason	4	4	4	3	3	2
K Hammer	4	4	4	3	3	2

*Helen Mahy is not a member of the Audit Committee and attends at the invitation of the Committee

During the period a further 31 ad hoc Board/Committee meetings were held in Guernsey to deal with matters substantially of an administrative nature and these were attended by those directors available.

The Board considers agenda items laid out in the notice and agenda of meeting which are circulated to the Board in advance of the meeting as part of the Board papers. Directors may request any agenda items to be added that they consider appropriate for Board discussion. Each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

The Board constantly considers the Company's strategy with regard to market conditions and feedback from shareholders received directly or from the Managers. The investment strategy is reviewed regularly with the Investment Manager. Board meetings include a review of investment performance and associated matters such as health and safety, marketing/investor relations, risk management, gearing, general administration and compliance, peer group information and industry issues.

Performance evaluation

The Board evaluates its performance and considers the tenure and independence of each Director on an annual basis. The annual evaluation for the period ended 31 December 2018 has been completed by the Chairman and took the form of a questionnaire completed by all of the Directors and additionally by the Managers and the Company Secretary, including one to one interviews with each Director holding office as at 31 December 2018. The questionnaire covered Board effectiveness including areas such as inclusion and diversity in accordance with the recommendations of the Parker Review[17]. For the evaluation of the Chairman, the Senior Independent Director discussed the results of a questionnaire with the Chairman following consultation with the other Directors. The exercise confirmed that the Board runs well and effectively with an appropriate level of balance and challenge.

The Board continues to monitor training for Directors. The Directors consider and report regularly their training needs and their continuing professional development and training carried out. For example, during the year, the Directors attended courses on relevant subjects including cyber security, tax, corporate culture and the new corporate governance code. The Directors have chosen to include site visits as part of their Board programme. The Directors believe that visiting TRIG's assets enable them to gain a deeper understanding of the Company's operations and the challenges faced on a day-to-day basis by the projects' asset managers. Notably, in September 2018, TRIG's Chairman visited Broxburn Energy Storage, met the asset managers and gained insight into how

17 The Parker review into the Ethnic Diversity of UK boards was published in October 2017.

Corporate Governance Statement

(continued)

the project works. The Board receives regular feedback from investors and sector analysts. The Board continues to have a focus on risk management and controls.

The independence of each Director has been considered and each has been confirmed as being independent of the Company and its Managers.

The Board believes that the composition of the Board and its Committees reflect a suitable mix of skills and experience, and that the Board, as a whole, and its Committees functioned effectively during 2018 and since the launch of the Company in 2013. The Board has employed the use of a skills matrix to identify if there are missing competences and confirmed that the existing Directors held the appropriate range of skills. The skills matrix tool also informs the selection process during the appointment of new directors.

The Board is diverse in its composition and thought processes. The Directors have a breadth of experience relevant to the Company. The Directors believe that any changes to the Board's composition can be managed without undue disruption. The members of the Board strive to challenge each other constructively to make sure all issues are examined from different angles and the Board holds the Managers properly to account on their progress on inclusion and diversity.

Delegation of responsibilities

The Board has delegated the following areas of responsibility:

The day-to-day administration of the Company has been delegated to Aztec Financial Services (Guernsey) Limited in its capacity as Company Secretary and Administrator.

The Investment Manager has full discretion (within agreed parameters) to make investments in accordance with the Company's Investment Policy and has responsibility for financial administration and investor relations, in addition to advising the Board in relation to further capital raisings and the payment of dividends amongst other matters, subject to the overall supervision and oversight of the Board. Among the specific tasks of the Investment Manager are the overall financial management of the Company and existing portfolio as a whole, including the deployment of capital, management of the Group's debt facilities, hedging arrangements, the sourcing of new investments, preparing the semi-annual valuations, the statutory accounts, the management accounts, business plans, presenting results and information to shareholders, coordinating all corporate service providers to the Group and giving the Board general advice.

The Operations Manager is responsible for monitoring, evaluating and optimising technical and financial performance across the portfolio. The services provided by the Operations Manager include maintaining an overview of project operations and reporting on key performance measures, recommending and implementing strategy on management of the portfolio including energy sales agreements, insurance, maintenance and other areas requiring portfolio-level decisions, maintaining and monitoring health and safety and operating risk management policies. The Operations Manager also works jointly with the Investment Manager on sourcing and transacting new business, providing assistance in due diligence of potential new acquisitions, refinancing of existing assets and investor relations. The Operations Manager does not participate in any investment decisions taken by or on behalf of the Company or undertake any other regulated activities for the purposes of the UK's Financial Services and Markets Act 2000.

Members of the Investment Manager's and/or the Operations Manager's teams are also appointed as directors of the Group's project companies and/or intermediate holding companies and as part of their role in managing the portfolio, they attend Board meetings of these companies and make appropriate decisions. Material decisions are referred back to the TRIG's investment committee and/or advisory committee for consideration and determination, and the TRIG Board is consulted on key matters relevant to TRIG's strategy, policies or overall performance, both on an ad hoc basis where required and during formal reporting sessions, including all matters outside the Managers' delegated authority.

Committees of the Board

The committees of the Board are the Audit Committee, the Remuneration Committee, the Nomination Committee, the Management Engagement Committee, and the Market Disclosure Committee. Terms of reference for each Committee have been approved by the Board.

The Chairman and members of each committee as at 31 December 2018 are as follows:

	Audit Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	Market Disclosure Committee
Chairman	J Bridel	S Mason	H Mahy	H Mahy	H Mahy
Members	S Mason	H Mahy	J Bridel	J Bridel	J Bridel
	K Hammer	J Bridel	S Mason	S Mason	S Mason
		K Hammer	K Hammer	K Hammer	K Hammer

Nomination Committee

The main terms of reference of the Committee are:

- regularly review the structure, size and composition required of the Board and make recommendations to the Board with regard to any changes (including skills, knowledge and experience in accordance with Principle 6 of the AIC Code);

- give full consideration to succession planning for directors taking into account the challenges and opportunities facing the Company; and
- be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise.

The Nomination Committee met four times during 2018. The Board is currently composed of 50% male and 50% female directors.

The four members of the Board were all appointed at or within a year of the Company's launch in 2013. In addition, the Company has grown considerably over this time. Accordingly, and mindful of the best practice to replace Board members within a nine-year term, the Board is commencing a process to appoint a fifth non-executive director. This will also aid the Board's succession planning noting the 9-year limitation for all directors under the Code. The Company will reach its sixth anniversary during 2019 with all the Board members having been appointed within the first year of the Company. The Company will keep in mind the findings of the Parker Review into the ethnic diversity of boards and the Hampton-Alexander Review into improving the gender balance in FTSE leadership positions when making the appointment.

Management Engagement Committee

The terms of reference of this committee are to review the relationships between the Company and its main service providers, including their performance, compliance with their contracts, and levels of fees paid. Recommendations from the Committee's review are given to the Board for consideration and action.

The Management Engagement Committee met four times in 2018 in accordance with its plan to review the performance of the key service providers to the Group and the Company. No material weaknesses were identified, some recommendations were conveyed to certain providers, and the recommendation to the Board was that the current arrangements are appropriate and provide good quality services and advice to the Company and the Group. The Committee convenes a planning meeting in August each year followed by a meeting in November of each year to review the Investment Manager and Operations Manager, and a meeting in February of each year to review the other service providers. The Managers were duly considered at the meeting of the Management Engagement Committee in November 2018 and no material issues were identified in connection with their respective appointments.

The Board has negotiated a reduced fee structure with the Investment Manager and the Operations Manager. As the Adjusted Portfolio Value[18] of the Company increases, the aggregate Managers fees fee will reduce to 0.75% (from 0.8%) above £2bn and reduce to 0.7% (from 0.8%) above £3bn.

Details of the activities of the Remuneration Committee and the Audit Committee are set out in Section 7 and Section 8 respectively. All terms of reference for committees are available from the Company's website or the Company Secretary upon request.

Market Disclosure Committee

The Committee has responsibility for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules.

The main terms of reference for the Committee are:

- To consider and decide whether information meets the definition of inside information and whether the Company should announce immediately or whether it is permissible to delay the announcement.
- When disclosure of inside information is delayed, to maintain all required records, monitor the conditions permitting delay and to provide any required notifications to the Financial Conduct Authority
- The committee should also consider the requirement for an announcement in the case of leaks of inside information.
- To ensure that effective arrangements are in place to prevent access to inside information.

The Market Disclosure Committee met twice during 2018.

Relations with shareholders – AIC Code Principle 19

The Company welcomes the views of shareholders and places great importance on communication with its shareholders. The Investment Manager produces a regular factsheet which is available on the Company's website. Senior members of the Investment Manager and Operations Manager make themselves available, as practicable, to meet with principal shareholders and key sector analysts. Feedback from these meetings is provided to the Board on a regular basis. The Board is also kept fully informed of all relevant market commentary on the Company by the Company's Financial PR agency, as well as receiving relevant updates from the Managers and the Company's brokers.

The Company reports formally to shareholders twice a year and will hold an Annual General Meeting in Guernsey on 7 May 2019, at which members of the Board will be available to answer shareholder questions. In addition, shareholders receive written communications from the Company either with documents enclosed or to notify them of new information available to view on the Company's website.

Results of Extraordinary and Annual General Meetings are announced by the Company promptly after the relevant meeting. Additionally, other notices and information are provided to shareholders on an ongoing basis through the Company's website in order to assist in keeping shareholders informed. The Secretary and Registrar monitor the voting of the shareholders and proxy voting is taken into consideration when votes are cast at the Annual General Meeting.

Shareholders may contact the Board via the Company Secretary, whose contact details are found on page 132 of the report and accounts.

18 Adjusted Portfolio Value means fair market value, without deductions for borrowed money or other liabilities or accruals, and including outstanding subscription obligations.

07 Directors Remuneration Report

Directors' Remuneration Report

The Remuneration Committee, chaired by Shelagh Mason and comprising all the Directors, operates within clearly defined terms of reference.

The terms of reference of the Committee are to determine and agree the Board policy for the remuneration of the Directors of the Company, including the approval of any ad-hoc payments in respect of additional corporate work required (e.g. for the work involved with the issue of prospectuses and equity fund raises).

Statement of the Chairman of the Remuneration Committee

As all Directors of the Company are non-executive they receive an annual fee appropriate for their responsibilities and time commitment but no other incentive programmes or performance-related emoluments.

During the year the Committee considered the level of cost of living increases typically being applied by similar investment companies to Directors remuneration and also received advice from its independent remuneration consultant, Trust Associates, on an appropriate cost of living increase to apply.

The Board commissioned Trust Associates to conduct a formal review of Directors' remuneration in 2017 and the Board implemented the recommendations of that review having obtained shareholder approval at the AGM held on 10 May 2018. Part of the advice from the independent remuneration consultant's work from 2017 was that between formal independent reviews, inflation-based increases should be applied. Trust Associates provided its view on what it considered would be suitable increases to apply for 2019 assuming that inflation and other circumstances remained similar.

The Committee proposes and the Board has, subject to Shareholders' approval, agreed to implement the cost of living inflationary increases set out in the table below which follow the guidance provided by Trust Associates.

Remuneration Policy

All Directors of the Company are non-executive and as such there are:

- no service contracts with the Company;
- no long-term incentive schemes;
- no options or similar performance incentives; and
- no payments for loss of office unless approved by shareholder resolution.
- The Directors' remuneration shall:
- reflect the responsibility, experience, time commitment and position on the Board;
- allow the Chairman and Chairman of the Audit Committee to be remunerated in excess of the remaining Board members to reflect their increased roles of responsibility and accountability;
- be paid quarterly in arrears;
- include remuneration for additional, specific corporate work which shall be carefully considered and only become due and payable on completion of that work; and
- be reviewed by an independent professional consultant with experience of investment companies and their fee structures, at least every three years.

The maximum annual limit of aggregate fees payable to the Directors as set in the Articles of Incorporation is £350,000.

Remuneration Committee

The Remuneration Committee met three times during 2018 to consider the remuneration of the Directors.

The Committee reviewed the level of cost of living increases typically being applied by similar investment companies to Directors Remuneration and also the advice from its independent remuneration consultant, Trust Associates, on an appropriate cost of living increase to apply and recommended cost of living increases as set out below.

The table below sets out the Directors' remuneration approved and actually paid for the year to 31 December 2018 as well as that proposed for the year ending 31 December 2019.

Director	Role	Base remuneration proposed for 2019	Base (and total) remuneration paid 2018
Helen Mahy	Chairman	£72,300	£69,800
Jon Bridel	Audit Committee Chairman	£58,400	£56,400
Klaus Hammer	Director	£48,500	£47,000
Shelagh Mason	Director	£48,500	£47,000
Total		£227,700	£220,200

No additional fees were payable to the Directors in 2018. Where the Company requires Directors to work on specific corporate actions, such as the raising of further equity, an additional fee will be appropriately determined.

Directors are entitled to claim reasonable expenses which they incur attending meetings or otherwise in performance of their duties relating to the Company. The total amount of Directors' expenses paid for 2018 was £4,593.

The Board also considered the availability of time of each Director, taking into account their other commitments, and concluded that adequate time was in each case available for the appropriate discharge of the Company's affairs.

The Board will seek approval at the AGM in May 2019 for the Remuneration Policy and the annual Directors' fees for routine business for 2019 and fees for additional specific corporate actions, as set out above, with a view to implementing the proposed inflationary increases back dated to 1 January 2019.

Directors' Interests

The Directors of the Company at 31 December 2018, and their interests in the Ordinary Shares of the Company, are shown in the table below.

	31 December 2018 Ordinary Shares	31 December 2017 Ordinary Shares
Helen Mahy	93,726	71,322
Jon Bridel	25,059	23,607
Klaus Hammer	25,200	24,838
Shelagh Mason	66,317	64,320

Some of the directors' shares may be held jointly with their spouse. All holdings of the Directors and their families are beneficial. No changes to these holdings had been notified up to the date of this report.

Other Disclosures

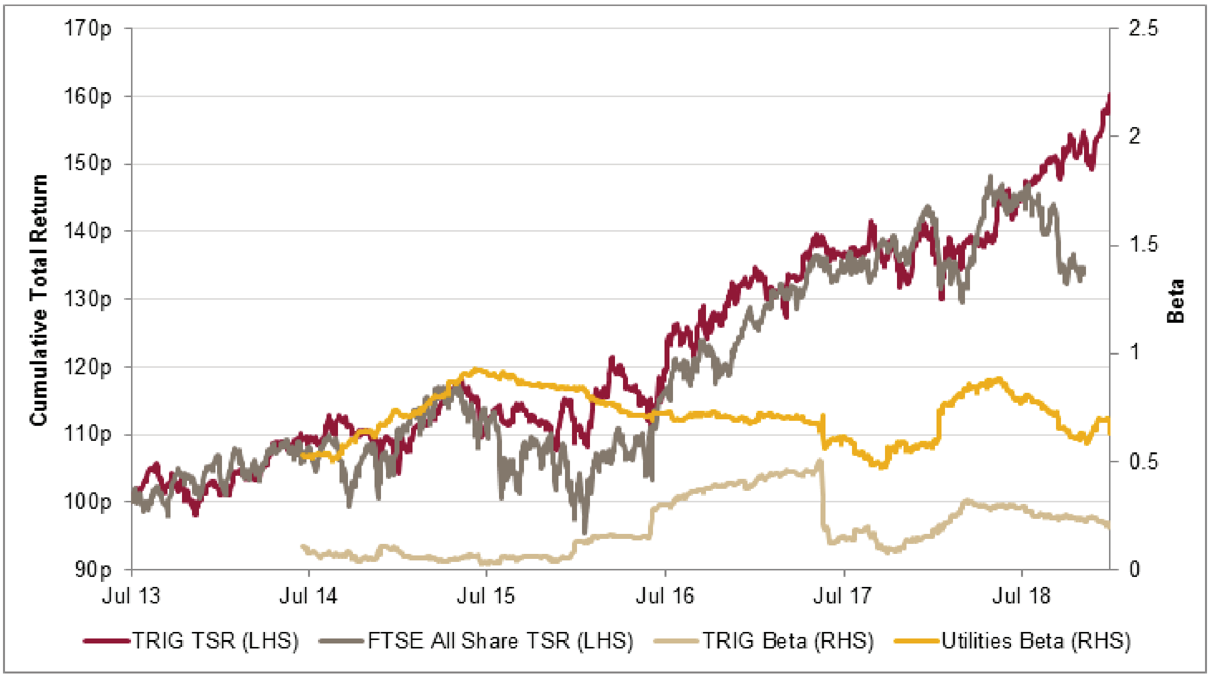
At the last AGM, held on 10 May 2018, the following resolution including Directors Remuneration was approved:

Ordinary Resolution 9 - To approve the proposed annual remuneration for routine business for each Director, as set out in the Report and Financial Statements, for the year ending 31 December 2018:

	Shares voted	Percentage
In Favour	570,697,023	99.98
Against	130,497	0.02
Withheld	26,809,139	N/A

Performance Graph

In setting the Directors' remuneration, consideration is given to the size and performance of the Company. The graph below highlights the performance of the Company against the FTSE-All Share index (of which TRIG is a constituent) rebased to IPO on a total return basis. In 2018, the Total Shareholder Return (on a share price basis) for the Company was 10.7% (2017: 5.1%) versus -9.5% for the FTSE-All Share Index (2017: 13.1%). Over the period from the IPO in July 2013 to 31 December 2018 the annualised Total Shareholder Return for the Company was 8.3% and for the FTSE-All Share it was 4.7%.



Source: Thomson Reuters Datastream

Blades ready for installation at Clahane, Republic of Ireland

08 Audit Committee Report

Audit Committee Report

The Audit Committee has been in operation since the inception of the Company. Chaired by Jon Bridel, it operates within clearly defined terms of reference and comprises all of the Directors other than the Chairman (who is not a member in accordance with provision C3.1 of the UK Corporate Governance Code). It is also the formal forum through which the auditor reports to the Board of Directors and met four times in 2018 (it meets at least three times annually).

The main duties of the Audit Committee are:

- giving full consideration and recommending to the Board for approval the contents of the half year and annual financial statements and reviewing the external auditor's report thereon including consideration of whether the financial statements are overall fair, balanced and understandable;
- agreeing with the auditor the external audit plan including discussing with the external auditor the key risk areas within the financial statements;
- considering and understanding the key risks of misstatement of the financial statements and formulating an appropriate plan to review these and agreeing with the Managers their processes to manage these risk areas;
- reviewing the Viability and Going Concern Statements and reviewing the work prepared by the Investment Manager supporting these statements;
- reviewing the draft valuation of the Company's investments prepared by the Investment Manager and making a recommendation to the Board on the valuation;
- reviewing the scope, results, cost effectiveness, independence and objectivity of the external auditor as well as reviewing the effectiveness of the external audit process and making any recommendations to the Board for improvement of the audit process;
- reviewing and recommending to the Board for approval the audit, audit related and non-audit fees payable to the external auditor or their affiliated firms overseas and the terms of their engagement;
- reviewing the appropriateness of the Company's accounting policies;
- ensuring the standards and adequacy of the internal control systems;
- to consider any reports or information received in respect of whistleblowing; and
- reporting to the Board on how it has discharged its duties.

None of the members of the Audit Committee have any involvement in the preparation of the financial statements of the Company, as this has been contracted to the Investment Manager.

The Audit Committee meets the external auditor before and after their audit and has discussed with the auditor the scope of their annual audit work and also their audit findings. The auditor attends the Audit Committee meetings at which the annual and interim accounts are considered, and at which they have the opportunity to meet with the Committee without representatives of the Managers being present. The Audit Committee has direct access to the auditor and to key senior staff of the Investment Manager, and it reports its findings and recommendations to the Board which retains the ultimate responsibility for the financial statements of the Company.

Membership

The Chair of the Audit Committee, Jon Bridel, is a fellow of the Institute of Chartered Accountants in England and Wales and in addition serves as chairman of the audit committee for other listed investment companies. Previously Jon worked in senior positions in investment, corporate finance and commercial banking and was CFO of two private multinational businesses. The Board is satisfied that Jon has recent and relevant financial experience as required under the UK Corporate Governance Code. The other members of the Audit Committee are Shelagh Mason and Klaus Hammer. The qualifications of the Audit Committee members are outlined in the Director's Biographies on page 62.

Significant Issues Considered

After discussion with both the Managers and the external auditor, the Audit Committee determined that the key risks of misstatement of the Company's financial statements related to the valuation of the investments.

Valuation of Investments

As outlined in Note 13 to the financial statements, the total carrying value of the investments at fair value (excluding the fair value of TRIG UK) at 31 December 2018 was £1,267.0m. Market quotations are not available for these financial assets, and as such, their valuation is undertaken using a discounted cash flow methodology. This requires a series of material judgements to be made as further explained in Note 4 to the financial statements.

The valuation process and methodology were discussed by the Audit Committee with the Investment Manager at the time of the interim review, in November 2018 prior to the year-end valuation process and again in February 2019 as part of the year-end sign off process. The Committee met with the auditor when it reviewed and agreed the auditor's Group audit plan and also at the conclusion of the audit of the financial statements, in particular discussing the valuation process. The Investment Manager carries out a valuation semi-annually and provides a detailed valuation report to the Company. The Company also engaged a third party valuation expert to review the valuation discount rates. The expert provided a report to the Audit Committee that confirmed that the discount rates adopted were appropriate.

Valuation of Investments – key forecast assumptions

The Audit Committee considered in detail those assumptions that are subject to judgement that have a material impact on the valuation. The key assumptions are:

Power price assumptions

A significant proportion of the wind and solar projects' income streams are contracted subsidy streams and power income under long-term PPAs; some of which have fixed price mechanisms. However, over time the proportion of power income that is fixed reduces and the proportion where the Company has exposure to wholesale electricity prices increases. The Investment Manager considers the forecasts provided by expert energy advisors and adopts a profile of assumed future power prices by jurisdiction. Further detail on the assumptions made in relation to power prices and other variables that may be expected to affect these are included in the Valuation section of the Strategic Report.

Macroeconomic assumptions

Macroeconomic assumptions include inflation, interest and tax rate assumptions. The Investment Manager's assumptions in this area are set out and explained in the Valuation section of the Strategic Report.

Other key income and costs assumptions

Other key assumptions include operating costs, facility energy generation levels and facility remaining operating life assumptions.

The Audit Committee considered the remaining operating life assumptions in light of the post year end announcement by one of the Company's peer group. The Audit Committee noted the ongoing review being performed by the Operations Manager considering the potential extension of remaining operational lives for some investments and considered the existing assumptions conservative and appropriate until that review is concluded and considered.

The Investment Manager has discussed and agreed the valuation assumptions with the Audit Committee. In relation to the key judgements underpinning the valuation, the Investment Manager has provided sensitivities showing the impact of changing these assumptions and these have been reviewed by the Investment Manager and the Audit Committee to assist in forming an opinion on the fairness and balance of the annual report together with their conclusion on the overall valuation.

Valuation of Investments – valuation discount rates

The discount rates adopted to determine the valuation are selected and recommended by the Investment Manager. The discount rate is applied to the expected future cash flows for each investment's financial forecasts derived adopting the assumptions explained above, amongst others, to arrive at a valuation (discounted cash flow valuation). The resulting valuation is sensitive to the discount rate selected. The Investment Manager is experienced and active in the area of valuing these investments and adopts discount rates reflecting its current extensive experience of the market. It is noted however that this requires subjective judgement and that there is a range of discount rates which could be applied. The discount rate assumptions and the sensitivity of the valuation of the investments to this discount rate are set out in the Valuation section of the Strategic Report.

The Audit Committee discussed with the Investment Manager the process adopted to arrive at the selected valuation discount rates (which includes comparison with other market transactions and an independent review of valuation discount rates by a third party valuation expert both at December 2017 and at December 2018) and satisfied itself that the rates applied were appropriate. The external auditor explained the results of their review of the valuation, including their consideration of the Company's underlying cash flow projections, the economic assumptions and discount rates to the Audit Committee. On the basis of their audit work there were no adjustments proposed that were material in the context of the financial statements as a whole.

Internal controls and Risk Management

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness, and has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

The process is based on a risk-based approach to internal control through a matrix which identifies the key functions carried out by the Investment Manager, Operations Manager and other service providers; the various activities undertaken within those functions; the risks associated with each activity; and the controls employed to minimise and mitigate those risks. A scoring based on 1 to 5 for Likelihood and 1 to 5 for Impact is used and these are multiplied together to give a total score. Mitigation is considered on a scale of 1 to 5 and this leads to a residual risk rating being derived. The matrix is updated on an on-going basis and reviewed quarterly and the Board considers all material changes to the risk ratings and the action which has been, or is being, taken. By their nature, these procedures will provide a reasonable, but not absolute, assurance against material misstatement or loss.

At each Board meeting, the Board also monitors the Group's investment performance and it reviews the Group's activities since the last Board meeting to ensure that the Investment Manager is adhering to the Company's Investment Policy and approved investment guidelines. The pipeline of new potential opportunities is considered and the prices paid for new investments during the quarter are also reviewed.

Further, at each Board meeting, the Board receives reports from the Company Secretary and Administrator in respect of compliance matters and duties they have performed on behalf of the Company.

The Board has considered the need for an internal audit function and it has decided that the systems and procedures employed by the Investment Manager, the Operations Manager

Audit Committee Report
(continued)

and the Administrator, including their own internal review processes and processes in place in relation to the Company, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Group is therefore considered unnecessary.

The Board recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable, but not absolute, assurance against material misstatement or loss, and relies on the operating controls established by the Company's Administrator, the Investment Manager and the Operations Manager. The Board considers on a periodic basis whether further third party assurance is appropriate, and reviews annual the proficiency of such controls in light of changes in the business and its environment.

The Investment Manager prepares management accounts and updates business forecasts on a quarterly basis, which allow the Board to assess the Company's activities and review its performance. The Board and the Investment Manager have agreed clearly defined investment criteria, return targets, risk appetite, and exposure limits. Reports on these performance measures, coupled with cash projections and investment valuations, are submitted to the Board at each quarterly meeting.

The Operations Manager prepares quarterly project performance and project financial analysis, and highlights the key activities performed and any specific new risks identified relating to the operating portfolio for consideration by the Board.

Appointment of the external auditor

Deloitte LLP was appointed to be external auditor for the TRIG Group on 19 September 2013, following a competitive tendering process. This process involved a review of the audit proposals and interviewing and challenging of each firm.

The objectivity of the external auditor is reviewed by the Audit Committee which also reviews the terms under which the external auditor may be appointed to perform non-audit services. The Audit Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to any non-audit work that the auditor may undertake. In order to safeguard auditor independence and objectivity, the Audit Committee ensures that any other advisory and/or consulting services provided by the external auditor does not conflict with their statutory audit responsibilities.

Advisory and/or consulting services generally only cover reviews of interim financial statements, tax compliance and capital raising work. Any non-audit services conducted by the external auditor outside of these areas which are above £20,000 in aggregate in any period require the consent of the Audit Committee before being initiated. The external auditor may not undertake any work for the Company in respect of the following matters - preparation of the financial statements, valuations used in financial statements, provision of investment advice, taking management decisions or advocacy work in adversarial situations.

The Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors, with particular regard to the level of non-audit fees. Total fees paid amounted to £468,680 for the period ended 31 December 2018 of which £99,500 related to audit and audit related services to the Company and its subsidiaries, TRIG UK and TRIG UK Investments, and £332,500 related to audit of the Group's project subsidiaries and other audit related services. The only non-audit services provided by Deloitte in the year to the Company and its subsidiaries are in relation to the review of the interim financial statements at the half year £27,750, and other services amounting to £8,930.

European Union (EU) statutory audit legislation stipulates that fees for permissible non-audit services should not exceed 70% of the average audit fees paid by the group in the last three consecutive financial years following its implementation in 2016. Although it is not applicable to this reporting period as it only applies in the year ending 31 December 2020, the Audit Committee must monitor auditor independence and will consider these criteria as part of this role.

Notwithstanding such services the Audit Committee considers Deloitte LLP to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To fulfil its responsibility regarding the independence of the external auditor, the Audit Committee considered:

- changes in audit personnel in the audit plan for the current period;
- a report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest; and
- the extent of non-audit services provided by the external auditor.

To assess the effectiveness of the external audit process, the Audit Committee reviewed:

- the external auditor's fulfilment of the agreed audit plan and variations from it;
- reports highlighting the major issues that arose during the course of the audit; and
- the effectiveness and independence of the external auditor having considered the degree of diligence and professional scepticism demonstrated by them.

The Audit Committee notes the requirements of the UK Corporate Governance Code and in particular the requirement to put the external audit out to tender at least every 10 years. This is the sixth year of Deloitte's appointment as the Company's auditor and the Company can confirm that a competitive tender exercise for the Company's audit work will be carried out before 2023. The Audit Partner for the Company is David Becker and he has been in place for five years and an

Audit Partner rotation is agreed between Deloitte and the Audit Committee to take place during 2019.

The Audit Committee is satisfied with Deloitte's effectiveness and independence as auditor having considered the degree of diligence and professional scepticism demonstrated by them. As such, the Committee has not considered it necessary during this period to conduct a tender process for the appointment of its auditors for the year ending 31 December 2019.

The Audit Committee confirms that TRIG has complied with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 since it became a member of the FTSE 250 Index on 18 December 2015 and up to 31 December 2018. Deloitte were appointed as external auditor in 2013 following a competitive process and the Audit Committee terms of reference are in line with the Order.

The Committee conducts a formal review of Deloitte following the issue of these financial statements as it did in 2018 to ensure that the Committee considers all aspects of the auditor's service and performance. The outcome of the review in May 2018 was positive and led to no material concerns over the performance of the auditor.

Having satisfied itself that the external auditor remains independent and effective, the Audit Committee has recommended to the Board that Deloitte LLP be reappointed as auditor for the period ending 31 December 2019.

Audit Committee performance evaluation

During the year the Committee evaluated its performance using a checklist provided by a leading audit firm. All of the Directors and the Managers completed the form and the results were discussed at an Audit Committee meeting. A few items of a minor nature arose and led to recommendations that have been adopted. Overall the finding of the evaluation was that the Audit Committee is sufficiently skilled and experienced and effective in carrying out its role.

Independent Auditor's Report to the Members of The Renewables Infrastructure Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Renewable Infrastructure Group Limited plc (the 'company'):

- **give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;**
- **have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and**
- **have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.**

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: ▲ The assessment of the fair value of investments Within this report, any new key audit matters are identified with and any key audit matters which are the same as the prior year identified with .
Materiality	The materiality that we used in the current year was £25.7m which was determined on the basis of shareholders' equity.
Scoping	As the company is required to measure its subsidiaries at fair value rather than consolidate on a line-by-line basis, the company has been treated as having only one component.
Significant changes in our approach	There has been no significant change in our approach.

Conclusions relating to going concern, principal risks and viability statement

Going concern

We have reviewed the directors' statement in note 2b to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

We considered as part of our risk assessment the nature of the company, its business model and related risks including where relevant the impact of Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Principal risks and viability statement

Based solely on reading the directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the directors' assessment of the company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to:

- the disclosures on pages 48-52 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation on page 73 that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity; or
- the directors' explanation on page 72 as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to report whether the directors' statement relating to the prospects of the company required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.

We confirm that we have nothing material to report, add or draw attention to in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Members of The Renewables Infrastructure Group Limited (continued)

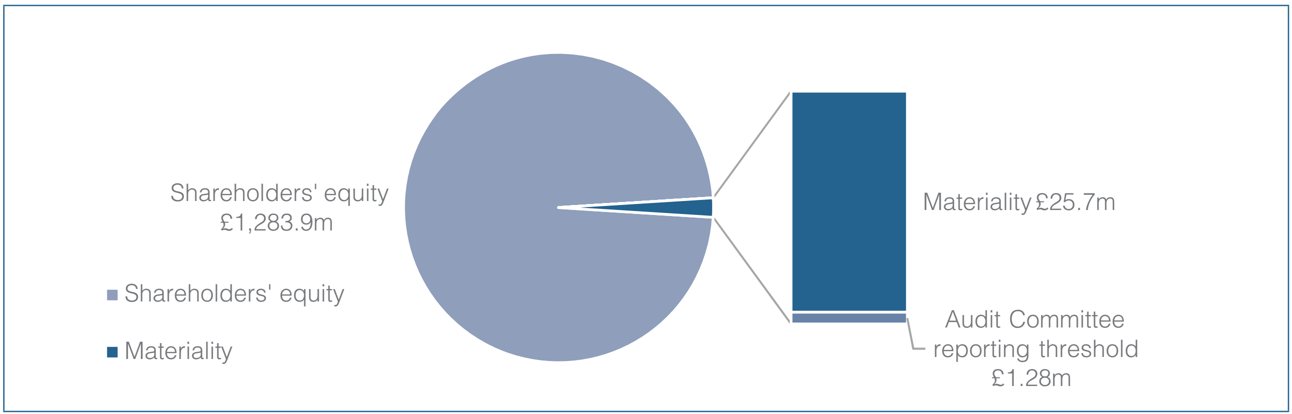
Assessment of the fair value of investments	
Key audit matter description	The company's investments held at fair value, comprise of investments in intermediate holding companies and equity and subordinated debt interests in wind farm, solar park and battery storage projects for which there is no liquid market and which are valued on a discounted cash flow basis. The company's portfolio continues to grow, with £294.0m of further investment during the year, funded through the issue of equity and a drawdown of the Group's revolving acquisition facility. The year-end valuation of £1,267.3 million at 31 December 2018 (31 December 2017: £973.3 million) requires significant judgements in respect of the forecast cash flows and discount rates applied. Certain assumptions used in the determination of fair value are a key source of estimation uncertainty, which is why we consider there to be a risk of material misstatement as well as a potential for fraud through possible manipulation of this balance. The complex nature of this methodology, combined with the number of significant judgements, means there is a risk that the fair value of the investments could be misstated. The judgements in respect of forecast cash flows include assumptions around future energy yields, power prices, inflation, tax rates, exchange rates and operating costs. The Audit Committee have set out their consideration of the risk on page 87 and is disclosed as a critical accounting judgement in note 3 of the financial statements. A breakdown of the investments and the assumptions applied to the valuation are described in note 4.
How the scope of our audit responded to the key audit matter	Our audit is directed to considering the evidence available to support these assumptions and the sensitivity of the valuation to reasonably possible changes in these assumptions. We critically assessed these assumptions and the fund valuation model in which they are applied in determining the fair value. Our audit procedures included: ▲ holding key meetings with key management personnel (including Fred Olsen, Low Carbon and Renewable Energy Systems (RES)) to understand the performance of the fund and of the underlying Special Purpose Vehicles (SPVs); ▲ understanding and assessing the design and implementation of internal controls around updates (including the incorporation of new acquisitions) to the valuation model used at 31 December 2018; ▲ reviewing the independent advice received by the company in respect of energy yields, power prices and discount rates and meeting with those advisers where appropriate to understand the methodology used and challenge key assumptions through the use of benchmarking against third party sources; ▲ using our own Deloitte internal valuation specialists to benchmark the discount rate against comparable market participants; ▲ considered the potential impact of Brexit on the fair value of the investments; ▲ reviewing the share purchase agreements for any newly acquired assets in order to confirm the acquisition cost and the nature and amount of any deferred consideration that may be embedded in the valuation; ▲ understanding and challenging management's process for determining costs to complete for projects in construction through review of the cash flow projections; ▲ using macroeconomic data (including inflation and tax rate forecasts) and observable market data to benchmark key assumptions; ▲ testing the incorporation of the assumptions into the valuation model and the correct application of the selected discount rates; ▲ reviewing cash flow projections and seeking explanations for significant movements in the forecast; and ▲ reviewing the adequacy of the disclosures made in the financial statements.
Key observations	During this work and our benchmarking of assumptions we noted some areas of conservatism, including wind useful economic lives compared to some industry peers and network charge assumptions in the future, offset by other judgements including certain power prices above the average of some industry data points we used for comparison. We concluded in aggregate that the assumptions are within the acceptable range of reasonably possible alternatives.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

Materiality	£25.7m (2017: £19.7m)
Basis for determining materiality	2% (2017: 2%) of shareholders' equity.
Rationale for the benchmark applied	We consider equity to be the key benchmark used by members of the Company in assessing financial performance. The reason for the significant increase in the year relates to the growth in this benchmark throughout the period.



A lower materiality threshold of £526,000 (2017: £642,000) based upon 5% of profit before tax, adjusted for the fair value movements in the portfolio valuation has also been used. This has been applied to all non-fair value movements affecting the income statement. A lower materiality threshold has been used to obtain sufficient coverage on non-fair value items in the income statement.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1,284,000 (2017: £983,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

As the company is required to measure its subsidiaries at fair value rather than consolidate on a line-by-line basis, the company has been treated as having only one component.

Independent Auditor's Report to the Members of The Renewables Infrastructure Group Limited (continued)

Other information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

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

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management and the audit committee, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team and involving relevant internal specialists, including tax, valuations and financial instrument specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
  - Significant bias in areas of estimation uncertainty, in particular, the valuation of investments and unusual transactions with no business or commercial motive;
  - Interest income from the underlying projects may be double counted as a debtor as well as part of the investment as it is incorporated into forecast cash flows.
  - Related party transactions on unreasonable terms or any missing transactions.
- obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the company. The key laws and regulations we considered in this context included the Alternative Investment Fund Managers (AIFM) Directive, Association of Investment Companies Code of Corporate Governance, Non-Mainstream Pooled Investments regulations, The Companies (Guernsey), Law 2008, and the Listing Rules.

Audit response to risks identified

As a result of performing the above, we identified the assessment of the fair value of investments as a key audit matter. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

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

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the audit committee concerning actual and potential litigation and claims;
- performing an independent expectation of the interest income accrual for the year;
- challenging management's procedures for the identification of related party transactions by reviewing management's related party listing for any omissions through the course of our work;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Independent Auditor's Report to the Members of The Renewables Infrastructure Group Limited (continued)

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

Other matters

Auditor tenure

Following the recommendation of the audit committee, we were appointed by the board of directors on 19 September 2013 to audit the financial statements for the year ending 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years, covering the years ending 31 December 2013 to 31 December 2018.

Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.

David Becker (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Guernsey, Channel Islands

18 February 2019

Hub transport to Clahane, Republic of Ireland

Midi, France

09 Financial Statements

Income Statement

For the year ended 31 December 2018

	Note	Year ended 31 December 2018 £'000's	Year ended 31 December 2017 £'000's
Total operating income	6	124,953	93,097
Fund expenses	7	(1,267)	(1,110)
Operating profit for the year		123,686	91,987
Net finance cost	8	(535)	(1,814)
Profit before tax		123,151	90,173
Income tax credit/(expense)	9	–	–
Profit for the year	10	123,151	90,173
Attributable to:			
Equity holders of the parent		123,151	90,173
		123,151	90,173
Earnings per share (pence)	10	11.7	9.8

All results are derived from continuing operations.

There is no other comprehensive income or expense apart from those disclosed above and consequently a separate statement of comprehensive income has not been prepared.

Balance Sheet

As at 31 December 2018

	Note	As at 31 December 2018 £'000's	As at 31 December 2017 £'000's
Non-current assets			
Investments at fair value through profit or loss	13	1,267,255	973,313
Total non-current assets		1,267,255	973,313
Current assets			
Other receivables	14	1,570	1,007
Cash and cash equivalents	15	16,760	10,646
Total current assets		18,330	11,653
Total assets		1,285,585	984,965
Current liabilities			
Other payables	16	(1,683)	(2,190)
Total current liabilities		(1,683)	(2,190)
Total liabilities		(1,683)	(2,190)
Net assets	12	1,283,902	982,775
Equity			
Share premium	17	1,189,542	944,078
Other reserves	17	1,008	966
Retained reserves	17	93,352	37,731
Total equity attributable to owners of the parent	12	1,283,902	982,775
Net assets per Ordinary Share (pence)	12	108.9	103.6

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

The financial statements were approved and authorised for issue by the Board of Directors on 18 February 2019, and signed on its behalf by:

Jon Bridel
Director

Helen Mahy CBE
Director

09 / FINANCIAL STATEMENTS

Statement of Changes in Shareholders' Equity

For the year ended 31 December 2018

	Share premium £'000's	Other reserves £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	944,078	966	37,731	982,775
Profit for the year	–	–	123,151	123,151
Dividends paid	–	–	(56,897)	(56,897)
Scrip shares issued in lieu of dividend	10,633	–	(10,633)	–
Ordinary Shares issued	235,639	–	–	235,639
Costs of Ordinary Shares issued	(2,766)	–	–	(2,766)
Ordinary Shares issued in year in lieu of Management Fees, earned in H2 2017[1]	966	(966)	–	–
Ordinary Shares issued in year in lieu of Management Fees, earned in H1 2018[2]	992	–	–	992
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2018[3]	–	1,008	–	1,008
Shareholders' equity at end of year	1,189,542	1,008	93,352	1,283,902

For the year ended 31 December 2017

	Share premium £'000's	Other reserves £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of year	827,650	776	5,840	834,266
Profit for the year	–	–	90,173	90,173
Dividends paid	–	–	(51,939)	(51,939)
Scrip shares issued in lieu of dividend	6,343	–	(6,343)	–
Ordinary Shares issued	110,000	–	–	110,000
Costs of Ordinary Shares issued	(1,538)	–	–	(1,538)
Ordinary Shares issued in year in lieu of Management Fees, earned in H2 2016[4]	776	(776)	–	–
Ordinary Shares issued in year in lieu of Management Fees, earned in H1 2017[5]	847	–	–	847
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2017[1]	–	966	–	966
Shareholders' equity at end of year	944,078	966	37,731	982,775

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent. of the management fees are to be settled in Ordinary Shares up to an Adjusted Portfolio Value of £1 billion.

1 The £965,799 transfer between reserves represents the 946,862 shares that relate to management fees earned in the six months to 31 December 2017 and were recognised in other reserves at 31 December 2017, and were issued to the Managers during the year, with the balance being transferred to share premium reserves on 31 March 2018.

2 The £991,780 addition to the share premium reserve represents the 957,548 shares that relate to management fees earned in the six months to 30 June 2018 and were issued to the Managers on 30 September 2018.

3 As at 31 December 2018, 939,843 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 107.275 pence per share (the Net Asset Value at 31 December 2018 of 108.9 pence per share less the interim dividend of 1.625 pence per share) were due but had not been issued. The Company intends to issue these shares to the Managers around 29 March 2019.

4 The £776,325 transfer between reserves represents the 787,826 shares that relate to management fees earned in the six months to 31 December 2016 and were recognised in other reserves at 31 December 2016, and were issued to the Managers during the year, with the balance being transferred to share premium reserves, on 31 March 2017.

5 The £846,762 addition to the share premium reserve represents the 855,315 shares that relate to management fees earned in the six months to 30 June 2017 and were issued to the Managers on 30 September 2017.

Cash Flow Statement

For the year ended 31 December 2018

	Note	Year ended 31 December 2018 £'000's	Year ended 31 December 2017 £'000's
Cash flows from operating activities			
Profit before tax	10	123,151	90,173
Adjustments for:			
Gain on investments	6, 13	(73,760)	(49,178)
Investment income	6, 13	(51,193)	(43,919)
Movement in other reserves relating to Manager shares		42	189
Exchange losses on FX hedges		(1,019)	(2,645)
Finance and other income	8	535	1,814
Operating cash flow before changes in working capital		(2,244)	(3,566)
Changes in working capital:			
Increase in receivables		(563)	(173)
Increase in payables		422	124
Cash flow from operations		(2,385)	(3,615)
Interest and principal received from investments	13	54,482	59,145
Interest income		53	33
Net cash from operating activities		52,150	55,563
Cash flows from investing activities			
Purchases of investments	13	(223,985)	(121,600)
Net cash used in investing activities		(223,985)	(121,600)
Cash flows from financing activities			
Proceeds from issue of share capital during year	17	237,596	111,623
Costs in relation to issue of shares	17	(2,766)	(1,538)
Dividends paid to shareholders	11	(56,897)	(51,939)
Net cash from financing activities		177,933	58,146
Net increase/ (decrease) in cash and cash equivalents		6,098	(7,891)
Cash and cash equivalents at beginning of year	15	10,646	18,537
Exchange gains on cash		16	–
Cash and cash equivalents at end of year	15	16,760	10,646

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

Notes to the Financial Statements

For the year ended 31 December 2018

1. GENERAL INFORMATION

The Renewables Infrastructure Group Limited ("TRIG" or the "Company") is a closed ended investment company incorporated in Guernsey under Section 20 of the Companies (Guernsey) Law, 2008. The shares are publicly traded on the London Stock Exchange under a premium listing. Through its subsidiaries, The Renewables Infrastructure Group (UK) Limited ("TRIG UK"), and The Renewables Infrastructure Group (UK) Investments Limited ("TRIG UK I"), TRIG invests in mainly operational renewable energy generation projects, predominantly in onshore wind and solar PV segments, across the UK and Northern Europe. The Company, TRIG UK, TRIG UK I and its portfolio of investments are known as the "Group".

These financial statements are for the year ended 31 December 2018 and comprise only the results of the Company as all of its subsidiaries are measured at fair value as explained below in Note 2 (a).

2. KEY ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements were approved and authorised for issue by the Board of Directors on 18 February 2019.

The financial statements, which give a true and fair view, have been prepared in compliance with the Companies (Guernsey) Law, 2008 and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") using the historical cost basis, except that the financial instruments classified at fair value through profit or loss are stated at their fair values. All accounting policies have been applied consistently in these financial statements.

The financial statements are presented in pounds sterling, which is the Company's functional currency. Foreign operations are included in accordance with the policies set out in this note.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. Note 3 shows critical accounting judgements, estimates and assumptions.

(b) 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 Strategic Report and also commented on in the Viability Statement contained in the Directors' Report on page 72. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Results on pages 100 to 103. In addition, Notes 1 to 4 of the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has a range of long-term contracts with various major UK and European utilities and well-established suppliers across a range of infrastructure projects. In addition, the Company maintains a prudent level of leverage, limited to 30% of portfolio value, and the Group's project-level financing, limited to 50% of Gross Portfolio Value, is non-recourse to the Company. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Basis of consolidation

The Company applies IFRS 10 'Consolidated Financial Statements', and as an investment entity is required to measure all of its subsidiaries at fair value. The financial statements therefore comprise the results of the Company only. Subsidiaries are those entities controlled by the Company. The Company has control of an investee, when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee as defined in IFRS 10 'Consolidated Financial Statements'.

The Directors believe it is appropriate and relevant to the investor to account for the investment portfolio at fair value, where consolidating it would not be.

The Company's subsidiaries, TRIG UK and TRIG UK I, carry out investment activities and incur overheads and borrowings on behalf of the Group. The Directors therefore provide an alternative presentation of the Company's results in the Strategic Report on pages 42 to 45 prepared under the "Expanded basis", which includes the consolidation of TRIG UK and TRIG UK I.

An entity shall consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. Under the definition of an investment entity, as set out in paragraph 27 in the standard, the entity must satisfy all three of the following tests:

I. Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and

II. Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and

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

Being investment entities, TRIG UK and TRIG UK I are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Group's current assets.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and meets the definition in the standard.

(d) Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 'Financial instruments'.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value including directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Investments in equity and debt securities

Investments in the equity and loan stock of entities engaged in renewable energy activities are designated at fair value through profit or loss.

The Group manages these investments and makes purchase and sale decisions based on their fair value.

The initial difference between the transaction price and the fair value, derived from using the discounted cash flows methodology at the date of acquisition, is recognised only when observable market data indicates there is a change in a factor that market participants would consider in setting the price of that investment. After initial recognition, investments at fair value through profit or loss are measured at fair value with changes recognised in the income statement.

The Directors consider the equity and loan stock to share the same investment characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes.

(e) Impairment

Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

(f) Share capital and share premium
Ordinary Shares are classified as equity. Costs directly attributable to the issue of new shares or associated with the establishment of the Company that would otherwise have been avoided are written off against the value of the ordinary share premium.

(g) Cash and cash equivalents
Cash and cash equivalents comprises cash balances, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(h) Investment income
Income from investments relates solely to returns from the Company's subsidiaries, TRIG UK and TRIG UK I. This is recognised when the right to receive interest income is determined on an accruals basis and dividends when these are received.

(i) Income tax
Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on non-Guernsey source income or capital gains.

(j) Foreign exchange gains and losses
Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

(k) Segmental reporting
The Chief Operating Decision Maker (the "CODM") is of the opinion that the Group is engaged in a single segment of business, being investment in renewable infrastructure to generate investment returns while preserving capital. The financial information used by the CODM to allocate resources and manage the Group presents the business as a single segment comprising a homogeneous portfolio.

(l) Fund expenses
All expenses are accounted for on an accruals basis. The Company's investment management and administration fees (refer to Note 7), finance costs and all other expenses are charged through the income statement.

(m) Acquisition costs
In line with IFRS 3 (Revised), acquisition costs are expensed to the income statement as incurred.

(n) Dividends
Dividends are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. For scrip dividends, where the Company issues shares with an equal value to the cash dividend amount as an alternative to the cash dividend, a credit to equity is recognised when the shares are issued.

(o) Statement of compliance
Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the Company is a Registered Closed-Ended Investment Scheme. As an authorised scheme, the Company is subject to certain ongoing obligations to the Guernsey Financial Services Commission and meets its compliance requirements.

(p) Share-based payments
Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at that date the entity obtains the goods or the counterparty renders the service.

(q) New and revised standards
At the date of authorisation of these financial statements, The Group has not applied the following new and revised IFRSs that have been issued:

IFRS 9 Financial Instruments (effected 1 January 2018)

IFRS 15 Revenue from Contracts with Customers (and the related clarifications) (effected 1 January 2018)

IFRS 16 Leases (effective from 1 January 2019)

The directors have determined that the adoption of the Standards listed above have not had a material impact on the financial statements of the Company on future years, as outlined below:

IFRS 9 Financial Instruments

IFRS 9 replaces the classification and measurement models for financial instruments in IAS 39 (Financial Instruments: recognition and measurement) with three classification categories: amortised cost, fair value through profit or loss and fair value through other comprehensive income. Following an assessment of the Company's assets and liabilities, IFRS has not had a material impact on its reported results.

IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a single, principles-based revenue recognition model to be applied to all contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations. New disclosure requirements are also introduced. The majority of the Company's revenue is derived from fair valuation movements on investments and interest income which are both not within the scope of IFRS 15. As a result, the new standard has not had a material impact on the Company's reported results.

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and requires all operating leases in excess of one year, where the Company is the lessee, to be included on the Company's balance sheet, and recognise a right-of-use asset and a related lease liability representing the obligation to make lease payments. The right-of-use asset will be assessed for impairment annually (incorporating any onerous lease assessments) and amortised on a straight-line basis, with the lease liability being amortised using the effective interest method. Lessor accounting is unchanged from previous guidance. As the Company itself does not have any leases it is not anticipated that the new standard will have a material impact on the Company's reported results. The change in accounting treatment for the leases in the subsidiaries is not expected to have a significant cash impact over time and therefore does not impact the overall valuation of the Company's investment in the subsidiaries.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in certain circumstances that affect reported amounts. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

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

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board base the fair value of the investments on information received from the Investment Manager. Fair value is calculated on a discounted cash flow basis.

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

The weighted average discount rate applied in the December 2018 valuation was 7.6% (2017: 8.0%). The discount rate is considered one of the most significant unobservable inputs through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss which are further discussed in Note 4 under sensitivities.

The other material impacts on the measurement of fair value are the forward looking power price curve, energy yields and macroeconomic assumptions which are further discussed in Note 4 under sensitivities.

Key Judgements

The Investment Manager, when considering the assumptions to apply to the valuation of the investments at 31 December 2018 takes into account several key assumptions including whether these were impacted by the expected exit of the UK from the European Union.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

By virtue of the Company's status as an investment fund, and in conjunction with IFRS 10 for investment entities, investments are designated upon initial recognition to be accounted for at fair value through profit or loss.

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

4. FINANCIAL INSTRUMENTS

Financial risk management

The objective of the Group's financial risk management is to manage and control the risk exposures of its investment portfolio. The Board of Directors has overall responsibility for overseeing the management of financial risks, however the review and management of financial risks are delegated to the Investment Manager, which has documented procedures designed to identify, monitor and manage the financial risks to which the Group is exposed. Note 4 presents information about the Group's exposure to financial risks, its objectives, policies and processes for managing risk and the Group's management of its financial resources.

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

Interest rate risk

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

The Group's policy is to ensure that interest rates are sufficiently hedged to protect the Group's net interest margins from significant fluctuations when entering into material medium/long-term borrowings. This includes engaging in interest rate swaps or other interest rate derivative contracts.

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

Inflation risk

The Group's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation, where possible, to minimise the risks of mismatch between income and costs due to movements in inflation indexes. The Group's overall cash flows vary with inflation, although they are not directly correlated as not all flows are indexed. The effects of these inflation changes do not always immediately flow through to the Group's cash flows, particularly where a project's loan stock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future years. The sensitivity of the portfolio valuation is shown further on in Note 4.

Market risk

Returns from the Group's investments are affected by the price at which the investments are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

Currency risk

The projects, in which the Group invests, all conduct their business and pay interest, dividends and principal in sterling, with the exception of the euro-denominated investments which at 31 December 2018 comprised 18% (2017: 13%) of the portfolio by value. The sensitivity of the portfolio valuation is shown in this note.

The Group monitors its foreign exchange exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging to provide protection to the level of sterling distributions that the Company aims to pay over the medium-term, where considered appropriate. This may involve the use of forward exchange.

Credit risk
Credit risk is the risk that a counterparty of the Group will be unable or unwilling to meet a commitment that it has entered into with the Group. Key credit ratings for the Company's counterparties are detailed in note 15.

The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and year end positions are reported to the Board on a quarterly basis. The Group's largest credit risk exposure to a project at 31 December 2018 was to the Garreg Lwyd project, representing 9% (2017: Garreg Lwyd project, representing 10%) of the portfolio by value, and the largest subcontractor counterparty risk exposure was to Siemens who provided turbine maintenance services in respect of 35% (2017: Siemens 41%) of the portfolio by value.

On a committed investment basis the Group's largest credit risk exposure to a project at 31 December 2018 was to Ersträsk, representing 12%, and the largest subcontractor counterparty risk exposure was to Siemens in respect of 35% of the committed portfolio value.

The Group's investments enter into Power Price Agreements ("PPA") with a range of providers through which electricity is sold. The largest PPA provider to the portfolio at 31 December 2018 was Statkraft who provided PPAs to projects in respect of 20% (2017: Statkraft 24%) of the portfolio by value.

At 31 December 2018, there were no loans and other receivables considered impaired for the Group.

The Group's maximum exposure to credit risk over financial assets is the carrying value of those assets in the balance sheet. The Group does not hold any collateral as security.

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

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

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

At 31 December 2018, the Company itself did not have any outstanding debt. The Group's revolving acquisition facility, which was £nil drawn at 31 December 2018, is held by TRIG UK and TRIG UK I, is guaranteed by the Company. The facility is in place until December 2021.

Capital management
TRIG UK, the Company's subsidiary, entered into an £80m revolving acquisition facility on 20 February 2014, which was extended to £120m on 3 February 2015 and further to £150m on 25 June 2015. The facility was renewed on 23 April 2016 and extended to £240m on 16 January 2018. On 12 December 2018 the facility was increased to £340m and extended until December 2021. The facility was £nil drawn at 31 December 2018 (2017: £106.4m).

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

From time to time, the Company issues its own shares to the market; the timing of these purchases depends on market prices.

In order to assist in the narrowing of any discount to the Net Asset Value at which the Ordinary Shares may trade, from time to time the Company may at the sole discretion of the Directors:

- make market purchases of up to 14.99% per annum of its issued Ordinary Shares; and
- make tender offers for the Ordinary Shares.

There were no changes in the Group's approach to capital management during the year.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

Fair value estimation

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments:

Non-derivative financial instruments

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses the income approach, which discounts the expected cash flows attributable to each asset at an appropriate rate to arrive at fair values. In determining the discount rate, regard is had to relevant long-term government bond yields, the specific risks of each investment and the evidence of recent transactions.

Derivative financial instruments

The fair value of financial instruments inputs other than quoted prices traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. Note 2 discloses the methods used in determining fair values on a specific asset/liability basis. Where applicable, further information about the assumptions used in determining fair value is disclosed in the notes specific to that asset or liability.

CLASSIFICATION OF FINANCIAL INSTRUMENTS

	31 December 2018 £'000s	31 December 2017 £'000s
Financial assets		
Designated at fair value through profit or loss:		
Investments	1,267,255	973,313
Financial assets at fair value	1,267,255	973,313
At amortised cost:		
Other receivables	1,570	1,007
Cash and cash equivalents	16,760	10,646
Financial assets at amortised cost	18,330	11,653
Financial liabilities		
Designated at fair value through profit or loss:		
Other financial liabilities	1,437	1,852
Financial liabilities at fair value	1,437	1,852
At amortised cost:		
Other payables	246	338
Financial liabilities at amortised cost	246	338

The Directors believe that the carrying values of all financial instruments are not materially different to their fair values.

Other financial assets/liabilities represent the fair value of foreign exchange forward agreements in place at the year end.

Fair value hierarchy

The fair value hierarchy is defined as follows:

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

	As at 31 December 2018			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	–	–	1,267,255	1,267,255
	–	–	1,267,255	1,267,255
Other financial liabilities	–	1,437	–	1,437
	–	1,437	–	1,437

	As at 31 December 2017			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	–	–	973,313	973,313
	–	–	973,313	973,313
Other financial liabilities	–	1,852	–	1,852
	–	1,852	–	1,852

Other financial assets/liabilities represent the fair value of foreign exchange forward agreements in place at the year end.

Investments at fair value through profit or loss comprise the fair value of the investment portfolio, on which the sensitivity analysis is calculated, and the fair value of TRIG UK and TRIG UK I, the Company's subsidiaries being its cash, working capital and debt balances.

	31 December 2018 £'000's	31 December 2017 £'000's
Portfolio value	1,268,681	1,081,180
TRIG UK and TRIG UK I		
Cash	144	170
Working capital	(3,977)	(2,593)
Debt[1]	2,407	(105,444)
	(1,426)	(107,867)
Investments at fair value through profit or loss	1,267,255	973,313

1 Debt arrangement costs of £2,407k (2017: £956k) have been netted off the £nil (2017: £106.4m) debt drawn by TRIG UK and TRIG UK I.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

Level 2

Valuation methodology

Fair value is based on price quotations from financial institutions active in the relevant market. The key inputs to the discounted cash flow methodology used to derive fair value include foreign currency exchange rates and foreign currency forward curves. Valuations are performed on a six monthly basis every June and December for all financial assets and all financial liabilities.

Level 3

Valuation methodology

The Investment Manager has carried out fair market valuations of the investments as at 31 December 2018 and the Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All investments are at fair value through profit or loss and are valued using a discounted cash flow methodology.

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

	31 December 2018	31 December 2017
UK inflation rates (other than ROC's)	2.75%	2.75%
Inflation applied to UK ROC Income	3.2% 2019, 3.0% 2020, 2.75% thereafter	3.4% 2018, 2.9% 2019, 2.75% thereafter
Ireland and France inflation rates	1.75% 2019–2020, 2.00% thereafter	2.00%
UK, Ireland and France deposit interest rates	1.00% to 31 March 2021, 2.00% thereafter	1.00% to 31 March 2021, 2.00% thereafter
UK corporation tax rate	19.00%, reducing to 17% from 1 April 2020	19.00%, reducing to 17% from 1 April 2020
France corporation tax rate	33.3% + 1.1% above €763,000 threshold, reducing to 25% by 2022	33.3% + 1.1% above €763,000 threshold, reducing to 25% by 2022
Ireland corporation tax rate	12.5% active rate, 25% passive rate	12.5% active rate, 25% passive rate
Euro/sterling exchange rate	1.1124	1.1252
Energy yield assumptions	P50 case	P50 case

Valuation Sensitivities

Sensitivity analysis is produced to show the impact of changes in key assumptions adopted to arrive at the valuation. For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

The sensitivities assume the portfolio is fully invested and hence the Portfolio Value for the sensitivity analysis is the sum of the Portfolio Valuation at 31 December 2018 (£1,268.7m) and the outstanding investment commitments (£204.6m) being £1,473.3m.

Accordingly, the NAV per share impacts shown below assume the issue of further shares to fund these commitments.

The analysis below shows the sensitivity of the portfolio value (and its impact on NAV) to changes in key assumptions as follows:

Discount rates

The discount rates used for valuing each investment are based on market information and the current bidding experience of the Group and its Managers.

The weighted average valuation discount rate applied to calculate the portfolio valuation is 7.6% at 31 December 2018 (2017: 8.0%). An increase or decrease in this rate by 0.5% ad has the following effect on valuation.

Discount rate	NAV/ share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/ share impact
Directors' valuation - December 2018	**+3.7p**	**+£48.1m**	**£1,473.3m**	**-£45.2m**	**-3.5p**
Directors' valuation - December 2017	+4.1p	+£38.9m	£1,081.2m	-£37.8m	-4.0p

Power Price

The sensitivity considers a flat 10% movement in power prices for all years, i.e. the effect of adjusting the forecast electricity price assumptions in each of the jurisdictions applicable to the portfolio down by 10% and up by 10% from the base case assumptions for each year throughout the operating life of the portfolio.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect.

Power Price	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation - Dec 2018	**-8.2p**	**-£107.1m**	**£1,473.3m**	**+£107.0m**	**8.2p**
Directors' valuation - Dec 2017	-8.3p	-£79.1m	£1,081.2m	+£81.1m	8.6p

Energy Yield

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

The sensitivity illustrates the effect of assuming "P90 10-year" (a downside case) and "P10 10-year" (an upside case) energy production scenarios. A P90 10-year downside case assumes the average annual level of electricity generation that has a 90% probability of being exceeded over a 10-year period. A P10 10-year upside case assumes the average annual level of electricity generation that has a 10% probability of being exceeded over a 10-year period. This means that the portfolio aggregate production outcome for any given 10-year period would be expected to fall somewhere between these P90 and P10 levels with an 80% confidence level, with a 10% probability of it falling below that range of outcomes and a 10% probability of it exceeding that range. The sensitivity includes the portfolio effect which reduces the variability because of the diversification of the portfolio. The sensitivity is applied throughout the life of each asset in the portfolio (even where this exceeds 10 years).

The table below shows the sensitivity of the portfolio value to changes in the energy yield applied to cash flows from project companies in the portfolio as per the terms P90, P50 and P10 explained above.

Energy Yield	NAV/ share impact	P90 10 year exceedance	Total Portfolio Value	P10 10 year exceedance	NAV/ share impact
Directors' valuation - Dec 2018	**-12.3p**	**-£159.8m**	**£1,473.3m**	**+£155.1m**	**11.9p**
Directors' valuation - Dec 2017	-11.4p	-£108.3m	£1,081.2m	+£104.7m	11.1p

Inflation rates

The projects' income streams are principally a mix of subsidies, which are amended each year with inflation, and power prices, which the sensitivity assumes will move with inflation. The projects' management, maintenance and tax expenses typically move with inflation, but debt payments are fixed. This results in the portfolio returns and valuation being positively correlated to inflation.

The portfolio valuation assumes 2.75% p.a. inflation for the UK and 2.0% p.a. for each of Sweden, France and Ireland over the long term.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

The sensitivity illustrates the effect of a 0.5% decrease and a 0.5% increase from the assumed annual inflation rates in the financial model for each year throughout the operating life of the portfolio.

Inflation assumption	NAV/ share impact	-0.5% change	Total Portfolio Value	+0.5% change	NAV/ share impact
Directors' valuation - December 2018	**-4.8p**	**-£62.4m**	**£1,473.3m**	**+£68.3m**	**5.2p**
Directors' valuation - December 2017	-4.6p	-£43.5m	£1,081.2m	+£50.8m	5.4p

Operating costs

The sensitivity shows the effect of a 10% decrease and a 10% increase to the base case for annual operating costs for the portfolio, in each case assuming that the change to the base case for operating costs occurs with effect from 1 January 2019 and that change to the base case remains reflected consistently thereafter during the life of the projects.

Operating costs	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation - December 2018	**4.4p**	**+£56.8m**	**£1,473.3m**	**-£56.4m**	**-4.3p**
Directors' valuation - December 2017	4.4p	+£41.5m	£1,081.2m	-£42.0m	-4.4p

Taxation rates

The profits of each project company are subject to corporation tax in their home jurisdictions at the applicable rates (the tax rates adopted in the valuation are set out in Note 4 to the financial statements). The tax sensitivity looks at the effect on the Directors' valuation of changing the tax rates by +/- 2% each year in each jurisdiction and is provided to show that tax can be a material variable in the valuation of investments.

Taxation rates	NAV/ share impact	-2% change	Total Portfolio Value	+2% change	NAV/ share impact
Directors' valuation - December 2018	**1.5p**	**+£19.2m**	**£1,473.3m**	**-£19.2m**	**-1.5p**
Directors' valuation - December 2017	1.9p	+£18.0m	£1,081.2m	-£18.0m	-1.9p

Interest rates

This shows the sensitivity of the portfolio valuation to the effects of a reduction of 1% and an increase of 2% in interest rates. The change is assumed with effect from 1 January 2019 and continues unchanged throughout the life of the assets.

The portfolio is relatively insensitive to changes in interest rates. This is an advantage of TRIG's approach of favouring long-term structured project financing (over shorter term corporate debt) which is secured with the substantial majority of this debt having the benefit of long-term interest rate swaps which fix the interest cost to the projects.

Interest rates	NAV/ share impact	-1% change	Total Portfolio Value	+2% change	NAV/ share impact
Directors' valuation - December 2018	**0.0p**	**-£0.4m**	**£1,473.3m**	**+£1.1m**	**-0.1p**
Directors' valuation - December 2017	0.0p	-£0.1m	£1,081.2m	+£0.4m	0.0p

Currency rates

The sensitivity shows the effect of a 10% decrease and a 10% increase in the value of the euro relative to sterling used for the 31 December 2018 valuation (based on a 31 December 2018 exchange rate of €1.1124 to £1). In each case it is assumed that the change in exchange rate occurs from 1 January 2019 and thereafter remains constant at the new level throughout the life of the projects.

At the year-end, 28% of the committed portfolio was located in Sweden, France and Ireland comprising euro-denominated assets. The Group has entered into forward hedging of the expected euro distributions for the next 18 months and in addition placed further hedges to reach a position where approximately 50% of the valuation of euro-denominated assets is hedged. The hedge reduces the sensitivity of the portfolio value to foreign exchange movements and accordingly the impact is shown net of the benefit of the foreign exchange hedge in place. The value of Ersträsk is included in this sensitivity.

Currency rates	NAV/ share impact	-10% change	Total Portfolio Value	+10% change	NAV/ share impact
Directors' valuation - December 2018	**-1.2p**	**-£15.7m**	**£1,473.3m**	**+£15.7m**	**1.2p**
Directors' valuation - December 2017	-0.7p	-£6.2m	£1,081.2m	+£6.2m	0.7p

The euro/sterling exchange rate sensitivity does not attempt to illustrate the indirect influences of currencies on UK power prices which are interrelated with other influences on power prices.

Asset Lives

Assumptions adopted in the year-end valuation typically range from 25 to 30 years from the date of commissioning, with an average 26 years for the wind portfolio and 30 years for solar portfolio. The overall average across the portfolio at 31 December 2018 is 27 years (31 December 2017: 27 years). The Operations Manager is currently undertaking a technical review of these assumptions to consider if longer lives may be assumed. Whilst increases will not be appropriate in all cases, an increase of between 2 and 3 years on average is being considered.

The sensitivity below shows the impact on the valuation of assuming all assets within the portfolio have a year longer and a year shorter asset life assumed.

Asset Lives	NAV/ share impact	-1 year change	Total Portfolio Value	+1 year change	NAV/ share impact
Directors' valuation - December 2018	**-1.2p**	**-£15.9m**	**£1,473.3m**	**+£14.7m**	**1.1p**

5. SEGMENT REPORTING

The Chief Operating Decision Maker (the "CODM") is of the opinion that the Group is engaged in a single segment of business, being investment in renewable infrastructure to generate investment returns while preserving capital. The financial information used by the CODM to allocate resources and manage the Group presents the business as a single segment comprising a homogeneous portfolio.

6. TOTAL OPERATING INCOME

	For year ended 31 December 2018 Total £'000s	For year ended 31 December 2017 Total £'000s
Interest income	51,193	43,919
Gain on investments	73,760	49,178
	124,953	93,097

On the Expanded basis, which includes TRIG UK and TRIG UK I, the Company's subsidiaries, that the Directors consider to be an extension of the Company's investment activity, total operating income is £142,848k (2017: £105,743k). The reconciliation from the IFRS basis to the expanded basis is shown in Section 2.8 of the Strategic Report on page 42.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

7. FUND EXPENSES

	For year ended 31 December 2018 Total £'000s	For year ended 31 December 2017 Total £'000s
Fees payable to the Company's auditor for the audit of the Group accounts	91	81
Investment and management fees (Note 18)	200	200
Directors' fees (Note 18)	220	193
Other costs	756	636
	1,267	1,110

Included within Other costs, £28k (2017: £28k) was paid to Deloitte LLP in respect of the interim review of the Group accounts.

In addition to the above, £350k (2017: £246k) was paid to Deloitte LLP (the Company's auditor) in respect of audit services provided to unconsolidated subsidiaries and therefore is not included within fund expenses above.

On the Expanded basis, fund expenses are £12,748k (2017: £10,963k); the difference being the costs incurred within TRIG UK and TRIG UK I, the Company's subsidiaries. The reconciliation from the IFRS basis to the Expanded basis is shown in Section 2.8 of the Strategic Report on page 42.

The Company had no employees during the current or prior year. The Company has appointed the Investment Manager and the Operations Manager to manage the portfolio, the Company and its subsidiaries, on its behalf.

8. FINANCE AND OTHER INCOME

	For year ended 31 December 2018 Total £'000s	For year ended 31 December 2017 Total £'000s
Interest income:		
Interest on bank deposits	53	33
Total finance income	53	33
Loss on foreign exchange:		
Realised loss on settlement of FX forwards	(1,019)	(2,645)
Fair value gain of FX forward contracts	416	780
Other foreign exchange gain	15	18
Total loss on foreign exchange	(588)	(1,847)
Finance and other expense	(535)	(1,814)

On the Expanded basis, finance income is £53k (2017: £34k) and finance costs are £4,614k (2017: £1,942k); the difference being the Group's acquisition facility costs which are incurred within TRIG UK and TRIG UK I, the Company's subsidiaries. These costs are shown in Section 2.8 of the Strategic Report on page 42.

9. INCOME TAX

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profits or capital gains. Therefore, income from investments is not subject to any further tax in Guernsey, although these investments will bear tax in the individual jurisdictions in which they operate.

10. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	31 December 2018 '000's	31 December 2017 '000's
Profit attributable to equity holders of the Company	£123,151	£90,173
Weighted average number of Ordinary Shares in issue	1,052,863	915,857
Earnings per Ordinary Share	11.7p	9.8p

Further details of shares issued in the year are set out in Note 17.

11. DIVIDENDS

	31 December 2018 £'000s	31 December 2017 £'000s
Amounts recognised as distributions to equity holders during the year:		
Interim dividend for the 3 month year ended 31 December 2016 of 1.5625p		13,016
Interim dividend for the 3 month year ended 31 March 2017 of 1.6p		15,057
Interim dividend for the 3 month year ended 30 June 2017 of 1.6p		15,076
Interim dividend for the 3 month year ended 30 September 2017 of 1.6p		15,133
Interim dividend for the 3 month year ended 31 December 2017 of 1.6p	15,158	
Interim dividend for the 3 month year ended 31 March 2018 of 1.625p	16,506	
Interim dividend for the 3 month year ended 30 June 2018 of 1.625p	17,902	
Interim dividend for the 3 month year ended 30 September 2018 of 1.625p	17,964	
	67,530	58,282
Dividends settled as a scrip dividend alternative	10,633	6,343
Dividends settled in cash	56,897	51,939
	67,530	58,282

On 7 February 2019, the Company declared an interim dividend of 1.625 pence per share for the period 1 October 2018 to 31 December 2018. The total dividend, £19,148,557, payable on 29 March 2019, is based on a record date of 15 February 2019 and the number of shares in issue at that time being 1,178,372,755.

	31 December 2018	31 December 2017
Interim dividend for the quarter ended December 2016		1.5625
Interim dividend for the quarter ended March 2017		1.6
Interim dividend for the quarter ended June 2017		1.6
Interim dividend for the quarter ended September 2017		1.6
Interim dividend for the quarter ended December 2017	1.6	
Interim dividend for the quarter ended March 2018	1.625	
Interim dividend for the quarter ended June 2018	1.625	
Interim dividend for the quarter ended September 2018	1.625	
	6.475p	6.3625p

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

12. NET ASSETS PER ORDINARY SHARE

	31 December 2018 £'000's	31 December 2017 £'000's
Shareholders' equity at balance sheet date	£1,283,902	£982,775
Number of shares at balance sheet date, including management shares accrued but not yet issued	1,179,313	948,290
Net Assets per Ordinary Share at balance sheet date	108.9p	103.6p

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent of the Group's management fees are to be settled in Ordinary Shares. Shares are issued to the Investment Manager and the Operations Manager twice a year in arrears, usually in March and September for the half year ending December and June, respectively.

As at 31 December 2018, 939,843 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 107.275 pence per share (the Net Asset Value at 31 December 2018 of 108.9 pence per share less the interim dividend of 1.625 pence per share) were due but had not been issued. The Company intends to issue these shares around 29 March 2019.

In view of this, the denominator in the above Net assets per Ordinary Share calculation is as follows:

	31 December 2018 '000's	31 December 2017 '000's
Ordinary Shares in issue at balance sheet date	1,178,373	947,343
Number of shares to be issued in lieu of Management fees	940	947
Total number of shares used in Net Assets per Ordinary Share calculation	**1,179,313**	**948,290**

13. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss is the sum of the portfolio valuation and the carrying amount of TRIG UK and TRIG UK I, the Company's subsidiaries.

	31 December 2018 £'000s	31 December 2017 £'000s
Brought forward	973,313	817,761
Investments in the year	223,985	121,600
Distributions received	(54,482)	(59,145)
Interest income	50,679	43,919
Gain on valuation	73,760	49,178
Carried forward	1,267,255	973,313

The following information is non-statutory. It provides additional information to users of the financial statements, splitting the fair value movements between the investment portfolio and TRIG UK and TRIG UK I, the Company's subsidiaries that were previously consolidated.

	31 December 2018 £'000s	31 December 2017 £'000s
Fair value of investment portfolio		
Brought forward value of investment portfolio	1,081,180	818,672
Investments in the year	143,353	229,942
Distributions received	(98,485)	(73,012)
Interest income	36,615	28,298
Dividend income	6,861	–
Gain on valuation	99,157	77,280
Carried forward value of investment portfolio	1,268,681	1,081,180
Fair value of TRIG UK & TRIG UK I		
Brought forward value of TRIG UK & TRIG UK I	(107,867)	(911)
Cash movement	(26)	(18)
Working capital movement	(1,384)	(250)
Debt movement[1]	107,851	(106,688)
Carried forward value of TRIG UK & TRIG UK I	(1,426)	(107,867)
Total investments at fair value through profit or loss	1,267,255	973,313

1 Debt arrangement costs of £2,407k (2017: £956k) have been netted off the £nil (2017: £106.4m) debt drawn by TRIG UK and TRIG UK I.

The gains on investment are unrealised.

The SPV's (Project companies) in which the company invests are generally restricted on their ability to transfer funds to the Company under the terms of their individual senior funding arrangements. Significant restrictions include:

- Historic and projected debt service and loan life cover ratios exceed a given threshold;
- Required cash reserve account levels are met;
- Senior lenders have agreed the current financial model that forecasts the economic performance of the project company;
- The Project company is in compliance with the terms of its senior funding arrangements; and
- Senior lenders have approved the annual budget for the company.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

Details of investments recognised at fair value through profit or loss were as follows:

		31 December 2018		31 December 2017	
Investments (project name)	**Country**	**Equity**	**Subordinated loan stock**	**Equity**	**Subordinated loan stock**
TRIG UK	UK	100%	100%	100%	100%
TRIG UK I	UK	100%	100%	100%	100%
Roos	UK	100%	100%	100%	100%
The Grange	UK	100%	100%	100%	100%
Hill of Towie	UK	100%	100%	100%	100%
Green Hill	UK	100%	100%	100%	100%
Forss	UK	100%	100%	100%	100%
Altahullion	UK	100%	100%	100%	100%
Lendrums Bridge	UK	100%	100%	100%	100%
Lough Hill	UK	100%	100%	100%	100%
Milane Hill	Republic of Ireland	100%	100%	100%	100%
Beennageeha	Republic of Ireland	100%	100%	100%	100%
Haut Languedoc	France	100%	100%	100%	100%
Haut Cabardes	France	100%	100%	100%	100%
Cuxac Cabardes	France	100%	100%	100%	100%
Roussas-Claves	France	100%	100%	100%	100%
Puits Castan	France	100%	100%	100%	100%
Churchtown	UK	100%	100%	100%	100%
East Langford	UK	100%	100%	100%	100%
Manor Farm	UK	100%	100%	100%	100%
Parsonage	UK	100%	100%	100%	100%
Marvel Farms	UK	100%	100%	100%	100%
Tamar Heights	UK	100%	100%	100%	100%
Stour Fields	UK	100%	100%	100%	100%
Meikle Carewe	UK	100%	100%	100%	100%
Tallentire	UK	100%	100%	100%	100%
Parley	UK	100%	100%	100%	100%
Egmere	UK	100%	100%	100%	100%
Penare	UK	100%	100%	100%	100%
Earlseat	UK	100%	100%	100%	100%
Taurbeg	Republic of Ireland	100%	100%	100%	100%
Four Burrows	UK	100%	100%	100%	100%
Rothes 2	UK	49%	78%	49%	81%
Mid Hill	UK	49%	78%	49%	81%
Paul's Hill	UK	49%	78%	49%	81%
Rothes 1	UK	49%	78%	49%	81%
Crystal Rig 1	UK	49%	78%	49%	81%
Crystal Rig 2	UK	49%	78%	49%	81%
Broussan	France	48.9%	100%	48.9%	100%

Plateau	France	48.9%	100%	48.9%	100%
Borgo	France	48.9%	100%	48.9%	100%
Olmo 2	France	48.9%	100%	48.9%	100%
Chateau	France	48.9%	100%	48.9%	100%
Pascialone	France	48.9%	100%	48.9%	100%
Santa Lucia	France	48.9%	100%	48.9%	100%
Agrinergie 1&3	France	48.9%	100%	48.9%	100%
Agrinergie 5	France	48.9%	100%	48.9%	100%
Agrisol	France	48.9%	100%	48.9%	100%
Chemin Canal	France	48.9%	100%	48.9%	100%
Ligne des 400	France	48.9%	100%	48.9%	100%
Logistisud	France	48.9%	100%	48.9%	100%
Marie Galante	France	48.9%	100%	39.2%	100%
Ste Marguerite	France	48.9%	100%	48.9%	100%
Freasdail	UK	100%	100%	100%	100%
FVP du Midi	France	51.0%	100%	51.0%	100%
Neilston	UK	100%	100%	100%	100%
Garreg Lwyd	UK	100%	100%	100%	100%
Broxburn	UK	100%	100%	100%	100%
Sheringham Shoal	UK	14.7%	14.7%	14.7%	14.7%
Clahane	Republic of Ireland	100%	100%	–	–
Solwaybank	UK	100%	100%	–	–
Montigny	France	100%	100%	–	–
Rosières	France	100%	100%	–	–
Ersträsk	Sweden	75%	75%	–	–

On 18 January 2018, TRIG acquired, from private developers, a 100% shareholder loan interest and a 100% equity interest in Clahane, an Irish onshore wind farm for total consideration of €72.7m.

On 5 June 2018, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Rosières and Montigny, two French onshore wind farms under construction for total consideration of €33m. This figure is expected to reduce to €28m after raising project finance and once all construction costs have been expended.

On 18 June 2018, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Solwaybank, a UK onshore wind farm under construction for an initial consideration of £39m and further investment of £10m during December 2018. Future obligations of £33m are due to be paid in future years, as detailed on page 31 of this report.

On 20 December 2018, TRIG acquired from Enercon Independent Power Producer GmbH, a 75% interest in Ersträsk wind farm for total expected consideration of €190m. This amount is payable over two phases of the project with amounts being due as construction is completed and the turbines operational for each phase, as detailed on page 31 of this report.

Further detail of acquisitions made in the year can be found in Section 2.5 of the Strategic Report.

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

14. OTHER RECEIVABLES

	31 December 2018 £'000's	31 December 2017 £'000's
Other debtors	1,570	1,007
	1,570	1,007

15. CASH AND CASH EQUIVALENTS

	31 December 2018 £'000's	31 December 2017 £'000's
Bank balances	16,760	10,646
Cash and cash equivalents	16,760	10,646

On the Expanded basis, which includes balances carried in TRIG UK and TRIG UK I, cash is £16,903k (2017: £10,816k). The reconciliation from the IFRS basis to the Expanded basis is shown in Section 2.6 of the Strategic Report on page 36.

As at the year end, cash and cash equivalents on the Expanded basis consisted of £16,000k held with Sumitomo Mitsui Banking Corporation Europe Limited and £903k held with Royal Bank of Scotland International Limited. At 31 December 2018 Royal Bank of Scotland International Limited had a Fitch credit rating of A and Sumitomo Mitsui Banking Corporation Europe Limited had an S&P rating of A-.

16. OTHER PAYABLES

	31 December 2018 £'000's	31 December 2017 £'000's
Management fees[1]	50	50
Fair value of forward FX contracts	1,437	1,852
Other payables	196	288
	1,683	2,190

1 For related party and key advisor transactions see note 18.

The Company has entered into forward foreign currency contracts to hedge the expected euro distributions for the next 18 months. In addition, the Company has placed further hedges to reach a position where approximately 50% of the valuation of euro denominated assets is hedged, providing a partial offset to foreign exchange movements in the portfolio value relating to such assets.

The following table details the forward foreign currency contracts outstanding as at 31 December 2018. The total euro balance hedged at 31 December 2018 was €145.0m (2017: €81.0m).

	31 December 2018			
	Average exchange rate	Foreign currency €'000's	Notional value £'000's	Fair value £'000's
Less than 3 months	–	–	–	–
3 to 6 months	1.1253	67,500	59,984	(744)
6 to 12 months	1.1139	68,100	61,135	(749)
Greater than 12 months	1.0954	9,400	8,581	56
	1.1180	145,000	129,700	(1,437)

As at the year end, the liabilities on foreign exchange derivatives consisted of £834k payable to Natwest Markets Plc and £603k payable to National Australia Bank Limited. At 31 December 2018 Natwest Markets Plc had an S&P credit rating of BBB+ and National Australia Bank Limited had an S&P rating of AA-.

17. SHARE CAPITAL AND RESERVES

	Ordinary Shares 31 December 2018 '000's	Ordinary Shares 31 December 2017 '000's
Opening balance	947,343	832,998
Issued for cash	219,181	106,797
Issued as a scrip dividend alternative	9,945	5,905
Issued in lieu of management fees	1,904	1,643
Issued at 31 December – fully paid	1,178,373	947,343

On 16 March 2018, the Company issued 54,858,016 shares raising £57,600,916 before costs.

On 18 April 2018, the Company issued 5,000,000 shares raising £5,280,000 before costs.

On 1 May 2018, the Company issued 5,000,000 shares raising £5,227,200 before costs.

On 21 May 2018, the Company issued 7,000,000 shares raising £7,322,000 before costs.

On 8 June 2018, the Company issued 5,000,000 shares raising £5,450,000 before costs.

On 6 July 2018, the Company issued 59,954,401 shares raising £64,151,209 before costs.

On 18 July 2018, the Company issued 5,000,000 shares raising £5,450,000 before costs.

On 8 August 2018, the Company issued 5,500,000 shares raising £6,050,000 before costs.

On 16 November 2018, the Company issued 71,867,849 shares raising £79,054,634 before costs.

In each case the Company used the funds to repay the revolving acquisition facility.

The company issued 9,945,120 shares in relation to scrip take-up as an alternative to dividend payments in relation to the dividends paid in the year.

The holders of the 1,178,372,755 (2017: 947,342,959) Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The Company shares are issued at nil par value.

Share premium	31 December 2018 £'000s	31 December 2017 £'000s
Opening balance	944,078	827,650
Ordinary Shares issued	248,230	117,966
Cost of Ordinary Shares issued	(2,766)	(1,538)
Closing balance	1,189,542	944,078

Other reserves	31 December 2018 £'000s	31 December 2017 £'000s
Opening balance	966	776
Shares to be issued in lieu of management fees incurred in H1 2017	–	847
Shares to be issued in lieu of management fees incurred in H2 2017 (Note 18)	–	966
Shares to be issued in lieu of management fees incurred in H1 2018 (Note 18)	992	–
Shares to be issued in lieu of management fees incurred in H2 2018 (Note 18)	1,008	–
Shares issued in the year, transferred to share premium	(1,958)	(1,623)
Closing balance	1,008	966

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

Retained reserves

Retained reserves comprise retained earnings, as detailed in the statement of changes in shareholders' equity.

18. RELATED PARTY AND KEY ADVISOR TRANSACTIONS

Loans to related parties:

	31 December 2018 '000's	31 December 2017 '000's
Short-term balance outstanding on accrued interest receivable	515	–
Short-term balance outstanding from TRIG UK, in relation to Management fees to be settled in shares[2]	1,008	966
Long-term loan to TRIG UK and TRIG UK I[1]	804,336	615,455
	805,859	616,421

1 Included within Investments at fair value through profit or loss on the Balance Sheet

2 Included within Other receivables on the Balance Sheet

During the year, interest totalling £51,193k (2017: £43,919k) was earned in respect of the long-term interest-bearing loan between the Company and its subsidiaries TRIG UK and TRIG UK I, of which £803k (2017: £nil) was receivable at the balance sheet date.

Key advisor transactions

The Group's Investment Manager (InfraRed Capital Partners Limited) and Operations Manager (Renewable Energy Systems Limited) are entitled to 65 per cent and 35 per cent, respectively, of the aggregate management fee (see below), payable quarterly in arrears.

The aggregate management fee payable to the Investment Manager and the Operations Manager is 1 per cent of the Adjusted Portfolio Value in respect of the first £1 billion of the Adjusted Portfolio Value, 0.8 per cent in respect of the Adjusted Portfolio Value between £1 billion and £2 billion, 0.75 per cent in respect of the Adjusted Portfolio Value between £2 billion and £3 billion and 0.70 per cent in respect of the Adjusted Portfolio Value in excess of £3 billion. These fees are payable by TRIG UK, less the proportion that relates solely to the Company, the advisory fees, which are payable by the Company.

The advisory fees payable to the Investment Manager and the Operations Manager in respect of the advisory services they provide to the Company are £130k per annum and £70k per annum, respectively. The advisory fees charged to the Company are included within the 1% total fee amount charged to the Company and its subsidiary, TRIG UK. The Investment Manager advisory fee charged to the income statement for the year was £130k (2017: £130k), of which £33k (2017: £33k) remained payable in cash at the balance sheet date. The Operations Manager advisory fee charged to the income statement for the year was £70k (2017: £70k), of which £18k (2017: £18k) remained payable in cash at the balance sheet date.

The Investment Manager management fee charged to TRIG UK for the year was £7,249k (2017: £5,895k), of which £1,562k (2017: £1,266k) remained payable in cash at the balance sheet date. The Operations Manager management fee charged to TRIG UK for the year was £3,904k (2017: £3,176k), of which £841k (2017: £682k) remained payable in cash at the balance sheet date.

In addition, the Operations Manager received £5,783k (2017: £4,914k) for services in relation to Asset Management, Operation and Maintenance and other services provided to project companies within the investment portfolio, and £172k (2017: £230k) for additional advisory services provided to TRIG UK, neither of which are consolidated in these financial statements.

In line with the Investment Management Agreement and the Operations Management Agreement, 20 per cent of the Group's aggregate management fees up to a an Adjusted Portfolio Value of £1 billion are to be settled in Ordinary Shares. The shares issued to the Managers by the Company relate to amounts due to the Managers by TRIG UK. Accordingly, TRIG UK reimburses the Company for the shares issued.

As at 31 December 2017, 946,862 shares equating to £965,799, based on a Net Asset Value ex dividend of 102.0 pence per share (the Net Asset Value at 31 December 2017 of 103.6 pence per share less the interim dividend of 1.6 pence per share) were due, in respect of management fees earned in H2 2016, but had not been issued. The Company issued these shares on 31 March 2018.

On 30 September 2018, the Company issued 957,548 shares, equating to £991,780, based on a Net Asset Value ex dividend of 103.575 pence per share (the Net Asset Value at 30 June 2018 of 105.2 pence per share less the interim dividend of 1.625 pence per share), in respect of management fees earned in H1 2018.

As at 31 December 2018, 939,843 shares equating to £1,008,219, based on a Net Asset Value ex dividend of 107.275 pence per share (the Net Asset Value at 31 December 2018 of 108.9 pence per share less the interim dividend of 1.625 pence per share) were due, in respect of management fees earned in H2 2018, but had not been issued. The Company intends to issue these shares on 29 March 2019.

On 5 June 2018, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Rosières and Montigny, two French onshore wind farms under construction for total consideration of €33m. This figure is expected to reduce to €28m after raising project finance and once all construction costs have been expended.

On 18 June 2018, TRIG acquired, from RES (the Operations Manager), a 100% shareholder loan interest and a 100% equity interest in Solwaybank, a UK onshore wind farm under construction for an initial consideration of £39m and further investment of £10m during December 2018. Future obligations of £33m are due to be paid in future years, as detailed on page 131 of this report.

On 21 August 2018, RES (The Operations Manager) paid TRIG £217k pursuant to the post acquisition true-up relating to Broxburn relating to changes in the Capacity Market.

The Directors of the Company received fees for their services. Further details are provided in the Directors' Remuneration Report on page 66. Total fees for the Directors for the year were £220,200 (2017: £192,700). Directors' expenses of £4,593 (2017: £5,613) were also paid in the year.

All of the above transactions were undertaken on an arm's length basis.

19. GUARANTEES AND OTHER COMMITMENTS

As at 31 December 2018, the Company and its subsidiaries, had provided £19.9m (2017: £20.5m) in guarantees to the projects in the TRIG portfolio.

The Company also guarantees the revolving acquisition facility, entered into by TRIG UK, which it may use to acquire further investments.

As at 31 December 2018 the company has £204.6m of future investment obligations relating to two wind farms. The Company has commitments totalling a further £33.0m in relation to the Solwaybank windfarm with amounts being payable to fund its construction. The Company has commitments totalling £171.6m for the Ersträsk wind farm, with amounts becoming payable upon the completion of each phase as they become operational. On 8 February 2019, the Company invested £45.6m in relation to the completion of the first phase of the Ersträsk wind farm. More details on timing and amounts can be found in section 2.5 of the Strategic Report.

The Company and its subsidiaries have issued decommissioning and other similar guarantee bonds with a total value of £2.5m.

20. CONTINGENT CONSIDERATION

The Group has performance-related contingent consideration obligations of up to £37.0m (2017: £4.4m) relating to acquisitions completed prior to 31 December 2018. These payments depend on the performance of certain wind farms and other contracted enhancements. The payments, if triggered, would be due between 2019 and 2024. The valuation of the investments in the portfolio does not assume that these enhancements are achieved. If further payments do become due they would be expected to be offset by an improvement in investment. The arrangements are generally two way in that if performance is below base case levels some refund of consideration may become due.

21. EVENTS AFTER THE BALANCE SHEET DATE

On 7 February 2019, the Company declared an interim dividend of 1.625 pence per share for the year 1 October 2018 to 31 December 2018. The total dividend, £19,148,557 payable on 29 March 2019, is based on a record date of 15 February 2019 and the number of shares in issue at that time being 1,105,423,385.

On 8 February 2019, the Company invested £45.6m in relation to the completion of the first phase of the Ersträsk wind farm.

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

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

22. SUBSIDIARIES

As a result of applying Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) and Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28), all subsidiaries are held at fair value as opposed to being consolidated on a line-by-line basis. The following subsidiaries have not been consolidated in these Financial Statements;

Name	Country	Ownership Interest
The Renewables Infrastructure Group (UK) Limited	UK	100%
The Renewables Infrastructure Group (UK) Investments Limited	UK	100%
Roos Energy Limited	UK	100%
Grange Renewable Energy Limited	UK	100%
Hill of Towie Limited	UK	100%
Green Hill Energy Limited	UK	100%
Wind Farm Holdings Limited	UK	100%
Forss Wind Farm Limited	UK	100%
Altahullion Wind Farm Limited	UK	100%
Lendrum's Bridge Wind Farm Limited	UK	100%
Lendrum's Bridge (Holdings) Limited	UK	100%
Lough Hill Wind Farm Limited	UK	100%
MHB Wind Farms Limited	Republic of Ireland	100%
MHB Wind Farms (Holdings) Limited	Republic of Ireland	100%
The Renewables Infrastructure Group (France) SAS	France	100%
CEPE de Haut Languedoc SARL	France	100%
CEPE du Haut Cabardes SARL	France	100%
CEPE de Cuxac SARL	France	100%
CEPE des Claves SARL	France	100%
CEPE de Puits Castan SARL	France	100%
European Investments (SCEL) Limited	UK	100%
European Investments (Cornwall) Limited	UK	100%
Churchtown Farm Solar Limited	UK	100%
East Langford Solar Limited	UK	100%
Manor Farm Solar Limited	UK	100%
European Investments Solar Holdings Limited	UK	100%
Sunsave 12 (Derriton Fields) Limited	UK	100%
Sunsave 25 (Wix Lodge Farm) Limited	UK	100%
Parley Court Solar Park Limited	UK	100%
Egmere Airfield Solar Park Limited	UK	100%
Penare Farm Solar Park Limited	UK	100%
European Investments (Earlseat) Limited	UK	100%
Earlseat Wind Farm Limited	UK	100%
European Investments Solar Holdings 2 Limited	UK	100%
BKS Energy Limited	UK	100%
Hazel Renewables Limited	UK	100%
Kenwyn Solar Limited	UK	100%
MC Power Limited	UK	100%

Tallentire Energy Limited	UK	100%
Taurbeg Limited	Republic of Ireland	100%
Fred. Olsen Wind Limited	UK	49%
Fred. Olsen Wind Holdings Limited	UK	49%
Crystal Rig Windfarm Limited	UK	49%
Rothes Wind Limited	UK	49%
Paul's Hill Wind Limited	UK	49%
Crystal Rig II Limited	UK	49%
Rothes II Limited	UK	49%
Mid Hill Wind Limited	UK	49%
Freasdail Energy Limited	UK	100.0%
FVP Broussan	France	48.9%
FVP Chateau	France	48.9%
FPV du Plateau	France	48.9%
SECP Borgo	France	48.9%
Sole e Aria 1	France	48.9%
SECP Olmo 2	France	48.9%
Sole e Aria 2	France	48.9%
FPV Pascialone	France	48.9%
Sole e Aria 3	France	48.9%
FPV Santa Lucia	France	48.9%
FPV Agrinergie	France	48.9%
FPV d'Export	France	48.9%
Agrisol 1A Services	France	48.9%
SECP Chemin Canal	France	48.9%
FPV Ligne des Quatre Cents	France	48.9%
FPV Ligne des Bambous	France	48.9%
Heliade Bellevue	France	48.9%
SECP Creuilly	France	48.9%
Akuo Tulip Assets SAS	France	48.9%
Verrerie Photovoltaique SAS	France	100.0%
FPV du Midi	France	51.0%
Neilston Community Wind Farm LLP	UK	100%
Garreg Lwyd Energy Limited	UK	100%
UK Energy Storage Services Limited	UK	100%
Scira Offshore Energy Limited	UK	14.7%
Pallas Energy Supply Limited	Republic of Ireland	100%
Pallas Windfarm Limited	Republic of Ireland	100%
CEPE Rosières SARL	France	100%
CEPE Montigny SARL	France	100%
Solwaybank Energy Limited	UK	100%
Ersträsk Vind AB	Sweden	75%
European Wind Investments Group Limited	UK	100%
European Wind Investments Group 2 Limited	UK	100%

Notes to the Financial Statements (continued)

For the year ended 31 December 2018

Irish Wind Investments Group Limited	UK	100%
Offshore Wind Investments Group Limited	UK	100%
Scandinavian Wind Investments Group Limited	UK	100%
European Storage Investments Group Limited	UK	100%
Trafalgar Wind Holdings Limited	UK	100%
European Investments Tulip Limited	UK	100%

Montigny, France

Nacelle at Clahane, Republic of Ireland, ready for installation

10 Directors and Advisers

Directors and Advisers

DIRECTORS
Helen Mahy (Chairman)
Jonathan (Jon) Bridel
Shelagh Mason
Klaus Hammer

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Key Company Data

Company name	The Renewables Infrastructure Group Limited
Registered address	East Wing Trafalgar Court Les Banques St Peter Port Guernsey
Listing	London Stock Exchange – Premium Listing (TRIG)
Ticker symbol	TRIG
SEDOL	BBHX2H9
Index inclusion	FTSE All-Share, FTSE 250, FTSE 350 and FTSE 350 High Yield indices
Company year end	31 December
Dividend payments	Quarterly (March, June, September, December)
Investment Manager (“IM”)	InfraRed Capital Partners Limited
Operations Manager (“OM”)	Renewable Energy Systems Limited
Company Secretary and Administrator	Aztec Financial Services (Guernsey) Limited
Shareholders’ funds	£1.283.9m as at 31 December 2018
Market capitalisation	£1,333.9m as at 31 December 2018
Management Fees	1.0% per annum of the Adjusted Portfolio Value1 of the investments up to £1.0bn (with 0.2% of this paid in shares), falling to (with no further elements paid in shares) 0.8% per annum for the Adjusted Portfolio Value above £1.0bn, 0.75% per annum for the Adjusted Portfolio Value above £2.0bn and 0.7% per annum the Adjusted Portfolio Value above £3.0bn. Fees are split between the Investment Manager (65%) and the Operations Manager (35%). No performance or acquisition fees.
ISA, PEP and SIPP status	The Ordinary Shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs.
NMPI status	Following the receipt of legal advice, the Board confirms that it conducts the Company’s affairs, and intends to continue to conduct the Company’s affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board’s intention that the Company will continue to conduct its affairs in such a manner and that IFAs should therefore be able to recommend its Ordinary Shares to ordinary retail investors in accordance with the FCA’s rules relating to non-mainstream investment products.
FATCA	The Company has registered for FATCA and has a GIIN number J0L1NL.99999.SL.831.
KID	The Company issues a KID in line with EU PRIIPs regulation and this can be found on the Company’s website.
Investment policy	The Company’s Investment Policy is set out on pages 18 to 19 and can also be found on the Company’s website.
Website	www.TRIG-Ltd.com

Notes:

1. Adjusted Portfolio Value means fair market value, without deductions for borrowed money or other liabilities or accruals, and including outstanding subscription obligations.

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