The Renewables Infrastructure Group Limited

Announcement of Final Results for the year ended 31 December 2016

21 February 2017

The Directors of The Renewables Infrastructure Group Limited announce the results for the year ended 31 December 2016.

Highlights for the year to 31 December 2016

- Total shareholder return for the year of 15.7% on a share price basis and 9.3% on a NAV basis
- Profit before tax of £67.9 million (2015: £17.0 million), reflecting an uplift in portfolio valuation[1]
- Earnings per ordinary share of 8.8 p (2015: 3.0p)
- NAV per ordinary share[2] of 100.1p (2015: 99.0p)
- Directors' portfolio valuation of £818.7 million[3] (2015: £712.3 million)
- Achieved total distribution target of 6.25p per share for the year[4] (2015: 6.19p) and moved from semi-annual to quarterly dividends
- Portfolio generation capacity increased by 8% to 710MW with a total of 53 investments in the UK, Ireland and France
- Launched second share issuance programme and raised £93 million of new equity capital
- Pipeline of further attractive investment opportunities under consideration across multiple technologies and markets
- Shareholders approved increasing the investment limit for technologies beyond onshore wind and solar PV from 10% to 20%
- Targeting an aggregate dividend of 6.40p per share for the year to 31 December 2017

1 2015 profit before tax was reduced by £20.2 million by the one-off adverse valuation impact of the withdrawal of Levy Exemption Certificate (LEC) income in the 2015 UK Summer Budget.

2 The NAV per share as at 31 December 2016 is calculated on the basis of the 832,998,413 Ordinary Shares in issue as at 31 December 2016 plus a further 787,847 Ordinary Shares to be issued to the Managers in relation to part-payment of Managers' fees for 2016 in the form of Ordinary Shares. The NAV per share is expressed after the payment relating to the accelerated dividend shift to quarterly dividends as described in Note 4 below.

3 On an expanded basis. Please refer to Section 2.6 of the Strategic Report for an explanation of the expanded basis.

4 The 6.25p per share dividend relates to performance during the 2016 financial year. Total cash dividends paid during 2016 amounted to 7.7975p per share as they included an extra quarter of dividends that resulted from the shift in 2016 from semi-annual to quarterly dividends (i.e. dividends equivalent to one quarter of performance have been accelerated, a one-off timing difference).

Helen Mahy CBE, Chairman of TRIG said

"I'm pleased to report that TRIG's portfolio has continued to perform well despite the wider challenging market and weather conditions. This resilient performance is underpinned by TRIG's scale and diversified portfolio of solar and wind projects across UK, Ireland and France."

Richard Crawford, Director, Infrastructure, InfraRed Capital Partners said

"2016 has been a robust year for the group and we are well placed to take advantage of further opportunities in the renewable energy market. We maintain our disciplined approach and have a strong pipeline with in the region of £100 million of projects at an advanced stage of discussions."

Summary of Results

	(For the year to) 31 December 2016	(For the year to) 31 December 2015
Profit before tax [1]	£67.9m	£17.0m
Earnings per share	8.8p	3.0p
Fourth quarterly interim dividend for period to 31 December 2016[2]	1.5625p	–
Total dividend per share for the year	6.25p	6.19p
Net Asset Value per share[3]	100.1p	99.0p

1 2015 profit before tax was reduced by £20.2 million by the one-off adverse valuation impact of the withdrawal of Levy Exemption Certificate (LEC) income in the 2015 UK Summer Budget.

2 The fourth quarterly interim dividend for 2016 is scheduled to be paid on 31 March 2017. The equivalent dividend for 2015 was incorporated in the second semi-annual interim dividend for 2015 of 3.11p per share.

3 The NAV per share as at 31 December 2016 is calculated on the basis of the 832,998,413 Ordinary Shares in issue as at 31 December 2016 plus a further 787,847 Ordinary Shares to be issued to the Managers in relation to part-payment of Managers' fees in the form of Ordinary Shares.

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Section 1

Chairman's Statement

Introduction

On behalf of the Board, I am pleased to present the 2016 report and accounts for The Renewables Infrastructure Group Limited ("TRIG" or the "Company", and with the holding companies and investments, the "Group").

In 2016 the Company continued to perform well against a challenging global political backdrop, heightened economic uncertainty, weak power prices and lower wind speeds. The cornerstones of this performance are the Company's strategy to invest in a high quality, predominantly operational portfolio diversified by technology and geography and the specialised capabilities of our Managers – InfraRed Capital Partners ("InfraRed") as Investment Manager and Renewable Energy Systems ("RES") as Operations Manager. Total shareholder return was 9.3% on a NAV basis and 15.7% on a share price basis, compared to a total return of 6.7% for the FTSE-250 Index (of which TRIG is a constituent) and 16.8% for the broader FTSE-All Share Index.

With new investments of approximately £77.7 million in France and the UK, TRIG's net generation capacity increased by 8% to 710MW and portfolio value by 15% to £818.7 million across 53 projects.

Financial Results and Performance

Financial Results

Profit before tax for the year to 31 December 2016 was £67.9 million (2015: £17.0 million) and earnings per share were 8.8p (2015: 3.0p), reflecting mainly an uplift in the portfolio valuation. Cash received from the portfolio by way of distributions, which include dividends, interest and loan repayments, was £59.5 million (2015: £42.4 million). After costs, net cash inflows from the investment portfolio were £50.3 million (2015: £34.0 million) (as measured under the Expanded Basis – see Section 2.6 for further details). Cash dividend cover (adjusting for the movement from semi-annual to quarterly dividends which resulted in five quarters' worth of dividends being paid during the year) was 1.2 times (2015: 1.2 times). TRIG raised new equity capital of £91.2 million (net of costs) in two issues in May and September enabling acquisitions in the year of £78.5 million (including acquisition costs). Cash balances increased from £15.2 million to £18.7 million over the year.

The net asset value ("NAV") per share was 100.1p as at 31 December 2016 (31 December 2015: 99.0p). Excluding the impact of the accelerated payment of an additional quarter's dividend during the year, NAV per share increased 2.6p. This increase reflects mainly a reduction in discount rates applicable to the valuation of the investment portfolio outweighing reductions in the forecast power curves.

During the year, the Company launched a second share issuance programme (effective until 26 April 2017) of up to 300 million new shares, of which 92 million have been issued to date. Ordinary shares in issue, including as a result of these offerings as well as shares issued by way of scrip dividend and as part payment of fees to the Managers, increased to approximately 833.0 million as at 31 December 2016 (31 December 2015: 732.8 million).

For 2016, using the methodology of the Association of Investment Companies ("AIC"), the Company's Ongoing Charges Percentage was 1.10% (2015: 1.20%), reflecting the benefits of the fixed costs spread over an expanded asset base.

Portfolio Update

During the year, TRIG invested in aggregate £77.7 million (excluding acquisition costs) increasing the net generating capacity of the portfolio by 8% to 710MW across 53 projects. Most notably, in January 2016 TRIG acquired an interest in 15 French solar parks – in both mainland France as well as in Corsica, Reunion and Guadeloupe in partnership with Akuo Energy. In the second half of the year, TRIG acquired an interest in another solar park in the South of France – also alongside Akuo Energy – and bought out some third party minority interests in the main Akuo portfolio, furthering the companies' collaboration. In November, TRIG acquired a Scottish wind firm (Freasdail) under construction from RES, the Company's Operations Manager, under its right of first offer agreement.

TRIG's annual electricity production increased by 9.2% in 2016 to 1,469 GWh (including an allocation for compensated downtime), reflecting the increase in the generating portfolio. Total portfolio production was 9.3% below P50 forecasts for the year (2015: 2.3% above). The main driver of this shortfall was wind resource, with grid availability also having an adverse impact.

Wind speeds in the UK were significantly below the long-term average in 2016, particularly in March, June, October and November. This was in part mitigated by the portfolio's geographical and technological diversity: wind in France was within 1% of the long-term average, whilst solar irradiation was fractionally above budget overall. The newly acquired French solar portfolio performed well and exceeded its production target for the year.

Following relatively good meteorological conditions experienced by the portfolio in previous years, the production in 2016 brought down the average performance since IPO to 3.7% below long-term expectations. Multiple projects underwent remedial activities in 2016, placing them in a stronger position to perform well in the coming years.

Valuation

The Investment Manager has prepared a fair market valuation for each investment in the portfolio as at 31 December 2016. The valuation is based on a discounted cash flow analysis of the future expected equity and loan note cash flows accruing to the Group from each investment. The valuation uses key assumptions which are set by the Investment Manager using its experience and judgement having taken into account available comparable market transactions and financial market data in order to arrive at a fair market value.

The Directors have satisfied themselves as to the methodology used and the assumptions adopted, and have approved a valuation of £818.7 million for the portfolio as at 31 December 2016. This is an increase of 14.9% on the £712.3 million valuation of the portfolio as at 31 December 2015. The valuation takes into account the addition of new projects, a reduction in power price forecasts year-on-year, a reduction in discount rates applied to the valuation (reflecting a keen appetite in the market for investment in renewables) and the beneficial impact of movement in foreign exchange rates.

Dividends and Distribution Policy

The Board has declared a fourth interim dividend for the year ended 31 December 2016 of 1.5625p per share to complete the aggregate 2016 dividend of 6.25p per share set as a target at the beginning of 2016. The fourth interim dividend is payable to those ordinary shareholders on the register on the record date of 17 February 2017 and will be paid on 31 March 2017. There is a scrip dividend alternative for those electing to receive their distributions in TRIG shares. If not made already, this election may be made by contacting Capita Registrars on 0871 664 0300 or by completing and submitting an election form available at www.capitashareportal.com/forms/Home.aspx.

Since its IPO in 2013, TRIG has consistently met its dividend targets, surpassing £100 million in shareholder distributions (the first London-listed renewables investment company to do so), and has maintained dividend growth consistent with UK inflation rates in accordance with its medium-term objective set at IPO and most recently restated in April 2016 at the launch of its current 12-month share issuance programme.

For the 2017 financial year, the Company is targeting an aggregate dividend of 6.40p per share to be paid in four quarterly instalments. This target dividend represents an increase of 2.4%, consistent with UK inflation, on the aggregate dividend of 6.25p per share for the 2016 financial year.

While TRIG benefits from support scheme revenues which are generally inflation-linked and currently comprise the majority of the portfolio revenue, the shape of cash flows will also be affected, in particular, by the outlook for electricity prices as well as by other factors. As previously stated, TRIG's distribution policy assumes, in particular, steady growth in UK and European wholesale power prices and on-target operating performance. After successive falls in power price forecasts since launch, future dividend increases may trend beneath inflation unless there are sustained real long-term increases in power prices. The Board will keep TRIG's distribution policy under review, taking into account these factors as well as the prevailing rate of inflation and their impact on dividend cover when considering whether it would be prudent to move to a progressive dividend policy rather than one directly linked to inflation in the future.

The Managers will continue to seek to optimise cash flow through actions such as the negotiation of long-term power purchase agreements, through prudent financing arrangements and through the deployment of new and surplus capital into selective investments with attractive cash flow profiles.

Risks

With a track record of more than three full years of operating performance, a significant portfolio and a wide variety of external conditions experienced, it is an appropriate point to reflect on how TRIG's investment strategy has performed with focus on the three key risk factors: operating performance, changes in wholesale power prices and the maintenance of appropriate government support schemes.

Operating performance

The Operations Manager continues to deliver innovative ways of enhancing production. Significant savings were achieved in 2016 through various proactive management strategies.

Technical performance of the assets is closely monitored, so that changes in performance are detected early and action is taken swiftly to minimise losses. The Operations Manager seeks to schedule remedial works during periods of low resource, reducing lost production. Additionally, condition monitoring techniques identify deteriorating components, allowing them to be fixed or replaced before breaking and thus reducing unplanned outages.

Operational performance also benefitted from the portfolio's diversity and scale. Diversification within the portfolio mitigates the impact of localised issues, while scale enables investment in strategic spare parts and efficient deployment of operating resources.

Power prices

2016 started with another warm winter as well as the continued oversupply of natural gas. This contributed to a further overall decline in wholesale power prices (both current and forecast) in Europe over the course of the year. In the second half of the year, following the Brexit vote, power prices showed a reversal in movement specifically in the GB market due to weaker sterling (gas being traded in euros in the European market) as well as from some smaller factors including reduced imports from France due to some French nuclear capacity being offline and some cross-channel interconnector unavailability due to repairs. In France and in the Irish Single Electricity Market, the long-term forecasts have continued to decline reflecting an underlying continued oversupply of gas.

TRIG maintains a prudent strategy of mitigating changes in power prices by using some fixes and floors in its contracts by referencing prices paid to average season-ahead prices, as well as by investing in a number of projects without power price exposure during the term of the subsidy – the latter comprising 29 projects representing about 26% of the portfolio by value.

Government support schemes

While the broader political backdrop carries uncertainties into 2017, the commitment to renewables in the UK and across Europe remains strong, based on the key factors of environmental benefits, energy security / localisation and increasing cost competiveness provided by the sector.

2016 saw the formal enactment of the Paris agreement of the United Nations Framework Convention on Climate Change (COP21) following legislation so far undertaken by more than 125 authorities. In the UK, policies on renewables generation are enshrined in domestic legislation, in particular the Climate Change Act 2008. Therefore the vote to leave the European Union does not appear to have any direct negative impact on the UK's commitment to renewables or on TRIG's performance, albeit broadening as it does the scope of policy decisions available to the UK Government and reintroducing some question over the long-term future of Scotland within the union. Some outcomes, including sterling's weakness post-Brexit and the UK's imperative to secure long-term energy security in a post-Brexit world, look to be positive for TRIG.

After the Theresa May-led administration came into power in the second half of 2016, the UK made significant long-term low-carbon commitments in the form of new offshore wind projects as well as new nuclear generation with the long-awaited approval in September of the Hinkley Point C plant. For now it appears that no new support schemes will be forthcoming in the UK for additional onshore wind and solar projects following the expiry of the final Renewables Obligation Certificate (ROC) schemes and beyond the initial round of Contracts-for-Difference back in 2015. However, TRIG's portfolio benefits from long-term grandfathered subsidies and does not depend on new projects to provide investors with the targeted returns. Nonetheless, TRIG expects to continue to find suitable investment opportunities, including in the UK offshore wind and power storage segments and in other Northern European countries which strive to meet their respective 2020 EU deployment targets and longer-term UN COP21 goals.

Furthermore, projects without fixed subsidy components to their revenues may represent viable opportunities with appropriate structuring e.g. corporate PPAs, hedging and/or more cautious capital structures.

Overall, we believe that TRIG's strategy has performed well since IPO, enabling the Company to manage through challenging conditions in terms of weather, energy prices and government support schemes.

Sustainability and Corporate Culture

Corporate culture has a critical role to play in sustaining the business model and providing the basis to achieve the Company's long-term objectives. Accordingly, the Board of TRIG and its Managers work together in enhancing its processes, team and individual performance, whether in the context of the day-to-day routine, scheduled meetings or special events. This subject also continues to be one of particular importance to me, across a raft of aspects, for example safety, governance procedures, carbon efficiency and diversity, to name a few. As Chairman, I believe it makes a difference when we challenge ourselves in the corporate world – whether it be furthering engagement with investors to find out ways to improve our offering or advocating in a broader sense for a better world – and behaving accordingly. I am delighted that TRIG aspires to make a difference externally and internally. In the Strategic Report in 2.11, we give some examples of what we have been doing.

Fundamentally, TRIG's investments play an important role in society, now providing power for the equivalent of 390,000 households and preventing the emission of 570,000 tonnes of CO_2 annually.

Beyond the deployment of capital into such projects, TRIG and its Managers continue to pursue excellence in details of environmental efficiency and social sensitivity across all aspects of the portfolio and the management of the business. TRIG also continues to sponsor a broad programme of community activities (music, sport, craft, education and childcare) across a range of its sites, including, through our Managers, InfraRed Capital Partners and Renewable Energy Systems, our first Dragon's Den style event! These initiatives forge a closer dialogue with local communities as well as enhancing amenities in often remote localities. We give some examples of these in the Strategic Report.

As a member of the Association of Investment Companies ("AIC"), TRIG reports governance against the AIC Code of Corporate Governance endorsed by the Financial Reporting Council. The Company continues to monitor and contribute to best practices in the industry as a leading participant in the fast-growing renewables segment of the infrastructure investment market.

As in previous years, TRIG's Managers continued to make themselves available to existing and potential institutional investors (in both one-on-one and conferences) and hosted a number of investor representatives as well as market analysts on site visits. The Board prioritises engagement with shareholders, with the aim of providing market-leading disclosure regarding our fast-evolving sector and TRIG's performance.

As part of good corporate governance, all of the Directors will offer themselves for re-election at the Annual General Meeting to be held on 3 May 2017.

Outlook

Looking ahead, we are both challenged and excited by a number of evolving features of the renewables market which we expect may provide significant opportunities for TRIG.

The market for secondary purchases is becoming increasingly competitive, driven by the steady increase in global investor allocation to the infrastructure asset class – of which renewables is now an important component. TRIG applies a judicious approach to what is a healthy pipeline of potential additions to the portfolio, based on the backlog of historic developments available for transfer from utilities and other developers.

TRIG has focused to date primarily on investing in fully operational projects but has also invested in a solar construction project – an extension at Marvel Farms completed in 2014 – and recently a wind construction project – Freasdail, which has recently achieved energisation ahead of schedule.

While TRIG's portfolio will remain predominantly operating, investing judiciously in some construction stage projects will position TRIG well to secure new opportunities at attractive returns. TRIG benefits from the extensive construction-stage experience of both of its Managers, InfraRed and RES.

So far, the Brexit vote in 2016 has not had any materially negative impact on TRIG. In fact, as mentioned above, currency effects of the vote have been positive so far for the portfolio in terms of the power price curve as it increases the sterling cost of imported fuels and currency gains on our overseas assets. Developments in UK onshore wind and solar PV will slow, in the absence of new subsidies. However, the scope afforded to TRIG under its investment policy enables the Company to look at other markets and we expect TRIG to continue to benefit from scale and diversification. The Managers have been reviewing opportunities not just in the UK, France and Ireland, but also selectively elsewhere in Northern Europe, in particular Scandinavia.

During 2016, shareholders approved an amendment of the investment policy to permit a higher allocation to technologies other than onshore wind and solar PV as the renewables market matures. While to date we have not utilised this expanded mandate, it allows TRIG to consider broader opportunities in the energy market including offshore wind and electricity storage, the latter dovetailing well with intermittent renewables generation in providing grid-balancing.

The current healthy pipeline includes in the region of £100 million of projects at an advanced stage of discussions, including a number of projects under exclusivity, mostly in the onshore wind sector but also in the electricity storage sector.

Having successfully navigated a range of challenges in recent years – in power markets, in the regulatory framework for renewables and in the weather, your Company has proven the resilience of its diversified portfolio. This has been supported by a conservative and detailed approach to portfolio and operational management provided by InfraRed and RES, as appropriate for this exciting and evolving market.

In 2017 we look forward to further solid financial performance from the existing portfolio and the addition of new projects, where appropriate, to bring additional scale and diversity. We appreciate the consistent and strong support of our shareholders in enabling TRIG to generate real value – not only for investors but for the broader stakeholders for which renewable energy plays an important role.

Helen Mahy CBE
Chairman

20 February 2017

Section 2
Strategic Report

2.1 Introduction

Contents

This Strategic Report sets out information covering the following topics:

- 2.1 - Introduction
- 2.2 - Objectives;
- 2.3 - Strategy;
- 2.4 - Business Model;
- 2.5 - Investment Approach and Policy;
- 2.6 - Operational and Financial Review for the year, including KPIs;
- 2.7 - Valuation of the Group's Portfolio as at 31 December 2016;
- 2.8 - Outlook;
- 2.9 - Ten Largest Investments;
- 2.10 - Risks and Risk Management; and
- 2.11 – Sustainability and Corporate Culture.

References in this report to the "Company" or "TRIG" mean The Renewables Infrastructure Group Limited (and together with its holding companies and investments, the "Group").

Overview

TRIG is a leading renewable energy infrastructure company investing in multiple renewable energy technologies, jurisdictions and climate systems. A Guernsey company, TRIG was launched on the London Stock Exchange through an Initial Public Offering in July 2013, raising £300 million which was invested in an initial portfolio of 18 wholly-owned projects in the UK, France and Ireland.

Since the IPO, the Company has raised more than £520 million through equity issues and increased the portfolio by acquiring a further 35 projects creating a **diversified portfolio of 53 onshore wind and solar photovoltaic projects**. TRIG continues to review a broad pipeline of projects with a view to further investment and diversification.

The Company aims to provide investors with **attractive long-term returns** whilst seeking to preserve the capital value of its investment portfolio through the reinvestment of surplus cash flows and active portfolio management.[1]

With **highly experienced Managers** TRIG has access to leading resources in specialised investment and operations teams at InfraRed and RES which deploy resources together in the management of TRIG and its portfolio. Shareholders benefit from a competitive and simple fee structure that is the result of the operating scale of both of the Managers, reflecting their committed, long-term approach to the infrastructure and renewables markets.

TRIG's Investment Manager – InfraRed Capital Partners ("InfraRed"), is a leading global investment manager focused on infrastructure and real estate. . The total headcount of the InfraRed group is approximately 120 and the infrastructure team now comprises 50 staff in offices in London, Hong Kong, New York, Seoul and Sydney. InfraRed has been investing in infrastructure and/or managing infrastructure dedicated funds for over 15 years, including the established HICL Infrastructure Company Limited which is also listed on the London Stock Exchange. InfraRed is authorised and regulated by the Financial Conduct Authority.

- Strong, 15+ year track record in raising and managing 15 infrastructure and real estate funds with over US$9 billion of equity under management
- Experience in managing a broad range of renewables investments since 2006
- Also adviser to HICL Infrastructure Company Limited, the largest of the London-listed infrastructure investment companies with market capitalisation of c.£2.4 billion
- Independent manager following successful spin-out from HSBC Group in April 2011
- 10 year established working relationship with Sir Robert McAlpine group

TRIG's Operations Manager – Renewable Energy Systems ("RES"), is the world's largest independent global renewable energy company with operations in 12 countries and over 1,200 employees globally. The RES team has more than 40 staff providing portfolio-level operations management, supporting the evaluation of investment opportunities for the Group and providing project-level services in the UK, Ireland and France. RES has 35 years' experience in renewables, from development through construction to operations.

- The world's largest independent renewable energy company with a 12 GW portfolio
- Privately-owned, RES is part of the 145 year old Sir Robert McAlpine group of companies
- Headquartered in Hertfordshire, UK, and operating in 12 countries
- Over 1,200 employees engaged in renewables globally
- Extensive, 35+ year experience in constructing and operating renewables including onshore and offshore wind, solar and biomass
- Developed/constructed more than 250 wind, solar, energy storage and transmission projects totalling more than 12 GW

2.2 Objectives

TRIG was created in 2013 with the purpose of investing principally in a range of diversified operational assets which generate electricity from renewable sources, with an initial focus on onshore wind farms and solar PV parks in the UK and Northern Europe, and with a view to providing investors with long-term, stable dividends, while preserving the capital value of its investment portfolio through re-investment of surplus cash flows after payment of dividends.

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[1] Achievement of these long-term targets is not guaranteed and may be dependent on a number of factors, not least the reversion of wholesale power prices, after their recent falls, to an expected long-term growth trend at a rate above prevailing inflation.

Financial Objectives
The key financial objectives of the Group are set out as follows:

- to provide shareholders with **an attractive long-term income-based return** with a positive correlation to inflation by focusing on strong cash generation across a diversified portfolio of predominantly operating projects[2][3];
- to maintain **prudent financial management** in terms of the approach to cost control, cash management, dividend cover, financing arrangements and foreign exchange and interest rate hedging; and
- to **diversify its investment portfolio** to enhance spreading of risk, increase share liquidity and obtain further scale efficiencies, while seeking to enhance NAV per share for investors.

Non-Financial Objectives
The key non-financial objectives of the Group are:

- to maintain an **adaptive business model** which benefits from trends in energy and infrastructure with opportunities for both portfolio management and portfolio growth, based on the evolution of the economies and societies in which the Company invests;
- to build and maintain strong **stakeholder relationships** of both the Company and the Group's investments, including investors, national and local governments, local communities, project developers, vendors, key contractors and providers of finance;
- to manage its affairs in accordance with its **sustainability** statements and policies; and
- to provide **knowledge leadership** to the sector, enhancing the understanding of investment in renewables and related energy infrastructure through appropriate disclosure and engagement with existing and potential investors, thereby further promoting interest in investment in TRIG as a benchmark investment vehicle in this expanding sector.

The Board considers that, as part of its corporate culture, consistency in executing against its non-financial objectives (adaptive business model, stakeholder approach, sustainability and knowledge leadership) will contribute meaningfully to the Company's ability to deliver targeted long-term investment returns.

2.3 Strategy

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 select geographies to increasing the supply of cleaner, more secure and sustainable energy. TRIG pursues this opportunity via managing and expanding a diversified portfolio of power generating assets across established technologies, different weather systems and electricity markets, as well as by having a suitable variety of counterparties in terms of power offtakers, equipment suppliers and maintenance providers. This strategy of portfolio growth and diversification supports the long-term investment proposition of delivering stable dividends together with NAV resilience.

The Renewables Market Growth Opportunity

Growth of the renewable energy infrastructure market is supported by a long-term global shift – in particular in industrialised and the larger emerging economies – towards achieving economic growth with sustainability.

[2] Dividends are paid gross as the Company is registered in Guernsey. The Company also offers shareholders a scrip dividend alternative to cash dividends as this can be advantageous to certain investors.
[3] Based on a theoretical investment at 100p under the current Share Issuance Programme, investors may factor in the possibility of a long-term IRR of in the region of 7% to 9% net of fees and expenses via active management of the investment portfolio and reinvestment of excess cash flows. In considering the ability of the Company to achieve its long-term objectives, the Investment Manager uses its judgement to assess a number of factors such as the potential for recovery of forecast power prices in the longer term, inflation rates and further movements in discount rates, as well as the potential upside from repowering and/or otherwise enhancing the performance or extending the life of projects in the portfolio and from scale efficiencies across an expanding portfolio given the Company's growth strategy.

Continuing increases in human population, urbanisation, industrial and agricultural production and consumption offset the benefits of ongoing energy efficiency improvements.

Global initiatives continue to cut fossil fuel emissions and to reduce and ultimately eliminate further contributions to man-made greenhouse gases. 2016 saw the ratification of the landmark Paris climate change agreement amongst the majority of countries who attended the United Nations ("UN") Framework Convention on Climate Change (or "COP 21") round of discussions in Paris in late 2015. The Company sees further global support for the promotion of decarbonisation in 2017 and beyond, with widespread renewable energy generation being an important initiative alongside improved demand-side response, efficient back-up generation capacity and more flexible grid networks.

The roll-out of renewable energy generation projects and supporting technologies is expected to continue across all major markets, supported by a range of government programmes as well as by increasing technological and supply chain improvements and cost efficiencies as new projects start to become economically viable without subsidies. In 2016, for the first time, more than 50% of newly installed electricity generating capacity globally was in the form of renewable energy infrastructure.

Recent additions to UK renewables capacity are expected to result in solid deal flow for the Company for several years, notwithstanding the slowdown in additions which will occur from 2017 as the very limited quantum of subsidies available for onshore wind and solar PV bite. However, as deal flow eventually slows in the core UK onshore wind and solar PV market, activity from the Company's broader investment mandate is expected to contribute increasingly to deal flow, including offshore wind, electricity storage and other geographies.

Diversification – Across Established Renewables Technologies

TRIG predominantly invests in operational renewable energy generation projects, with a current focus on onshore wind and solar PV which are both established renewables technologies with an effective combination of proven operating cost histories and a strong pipeline of investment opportunities.

The Investment Manager is increasingly reviewing opportunities in related renewable technology sectors which offer attractive risk-adjusted returns. This includes the offshore wind sector which has built up a meaningful operational and financial track record and operating projects are becoming available for investment. In the UK there are operating offshore wind farms with a combined 5GW of capacity and in Germany a further 4GW of operating projects. Other technologies which the Managers may consider include other types of generation infrastructure (e.g. hydropower or landfill gas) or supporting technologies (such as back-up power generation, electricity storage or demand-side response), depending on the availability of projects for investment which exhibit sufficient scale of opportunity and which conform to TRIG's risk/return profile.

In light of this, shareholders at the Company's Annual General Meeting in May 2016 approved an increase in proportion of the portfolio by value that may be invested in sectors other than onshore wind and solar PV from 10% to 20%.

In the European Union, the majority of new power generation installations are in wind and solar PV. Of a total of 24.5GW of new capacity installations across the EU, renewables represented approximately 86% with wind contributing 51% and solar PV 27%. The bulk of new wind installations in 2016 were in Germany (44% of the 12.5GW EU total), followed by France, Netherlands and the UK, contributing 12%, 7% and 6% respectively. (Source: WindEurope Annual Statistics 2016)

At the end of Q3 2016, the UK had a renewable energy capacity of over 33GW, an increase of 11% from 12 months previously. The increase in capacity between 2014 and 2015 was, however, significantly larger at 27%, suggesting that the overall rate of renewables installation has slowed down.

The UK's onshore wind capacity is approaching the 2020 projected target range of 11GW to 13GW as indicated by the Government in 2014. In 2016 solar PV has reached its equivalent projected target capacity range and has overtaken onshore wind to have the largest share of UK capacity among renewable technologies at 11GW (although will remain lower in terms of electricity generation, due to wind technology generating more of the time than solar). Most of this additional solar PV was installed in Q1 2016, ahead of the key Renewables Obligation (RO) closure date of 31 March 2016. Deployment of new onshore wind and solar PV is now likely to decrease with the expiry of the RO support scheme in relation to additional projects in these technologies.

Although the UK's aggregate offshore wind capacity was flat with no new large-scale projects being commissioned between Q3 2015 and Q3 2016, this masks a volume of build activity and the sector still offers the most scope for further development with another 5GW of capacity needed in order to reach the indicative 2020 Government target of 10GW.

Diversification – Across Power Markets

TRIG's investment strategy provides for diversification across electricity markets. TRIG has substantial near-term insulation from movements in wholesale power prices as a result of receiving a high proportion of its revenue from power purchase agreements with fixed prices, feed-in tariffs and Renewables Obligation Certificates. In the longer term, TRIG, based on its current portfolio, will have greater exposure to future wholesale electricity prices as subsidies and contracts with pre-determined pricing eventually run off. TRIG also has the benefit of being diversified across three separate power markets of Great Britain, the Single Electricity Market (of The Republic of Ireland and Northern Ireland) and France.

Over the longer term, European demand for power is expected to be sustained by economic growth and factors such as increased electrification of transportation. This, combined with Europe's requirement to upgrade old power plants and grid networks, including the decommissioning of old generation facilities (coal, gas and nuclear), green subsidies (both for generators and consumers in the form of energy efficiency grants) and carbon pricing for fossil fuel based generation are likely to mean UK and European prices will remain at relatively high levels, at least relative to the United States.

Diversification – Across Regulatory Regimes and Contract Types

TRIG aims to invest across multiple energy markets in projects whose revenues are supported by a strong government commitment to renewable energy generation as a key part of their energy mix. While investments in the UK, France and Ireland form the current portfolio, a number of other markets, including Scandinavia, Benelux and Germany, offer a profile which may be attractive to TRIG.

TRIG's portfolio revenues reflect the different regulatory jurisdictions in which TRIG is invested with revenue sources ranging from contracted feed-in tariffs ("FITs"), Renewables Obligation Certificates ("ROCs"), embedded benefits and a variety of wholesale power purchase agreements ("PPAs") with contracting counterparties which are, for the most part, major utilities.

In the current portfolio, the majority of near-term project revenues (2017 projected revenues: 73%) are expected to come from fixed-type, contracted revenues, for example feed-in tariffs, fixed price PPAs, or the sale of ROCs (with, accordingly, greater stability and predictability of revenues) or other revenue sources not linked to wholesale power prices, while expected near-term project revenues linked to wholesale power prices (2017 projected revenues: 27%) are in the minority. Some of these revenues have floor price arrangements.

In the longer term (in the absence of further contracting or re-contracting of the revenues), it is anticipated that the majority of revenues will be based on variable market prices (although some of these may be contracted based on, for example, season-ahead or month-ahead pricing).

Diversification – Across Weather Systems

From a meteorological perspective, while short-term volatility is to be expected, wind and solar resources demonstrate a high degree of predictability over the long term. In addition, TRIG's portfolio demonstrates the benefit of diversity as a result of the geographical spread of the projects and the energy yield performance of solar and wind technologies not being positively correlated.

Given the complexity of wind flows, even within a specific geographical area, energy yield outcomes do vary from location to location and from time to time but these tend to even out over the long-term. For solar, the key factor driving irradiation levels is latitude, although the precise meteorological conditions (prevailing local irradiation intensity, duration and temperature) have a bearing on the energy output performance. Weather risk can be reduced within a portfolio by combining a large number of plants spread over a wide geography and by combining wind and solar.

With stronger summer solar irradiation counterbalancing the lower typical summer wind speeds versus the winter, the portfolio also has the benefit of a more balanced revenue mix through the year than would be the case for a fund investing only in either wind or solar. In TRIG's portfolio in a typical year, approximately 70% of the total annual solar production is expected to occur in the six months between April and September (against 40% for wind) and approximately 30% between October and March (against 60% for wind).

TRIG is able to mitigate the risk of miscalculating energy output (and therefore mispricing) by buying projects with some operating history (the portfolio has on average more than 5 years of operating track record) as well as by including acquisition price adjustment mechanisms based on yield performance on newer or development projects.

Diversification – by Counterparty

TRIG manages a project portfolio with an array of contractual counterparties, which provides a spread of operational risk by reducing reliance on any one supplier, as well as enabling TRIG's Managers to assess relative performance and seek to deliver best practices across the portfolio. Key power offtake counterparties include SSE, EDF, Scottish Power, Statkraft and E.ON. Equipment counterparties include Siemens, Vestas, Canadian Solar and ReneSola among others. For maintenance, on-site services are provided in particular by RES, Fred. Olsen group and Akuo Energy, although RES – in its role as portfolio-wide Operations Manager – works closely with all providers, including smaller ones, to ensure delivery of services are optimised for the benefit of TRIG. Further details of TRIG's counterparties are set out in section 2.10 below.

A Portfolio Focused on Long-Term Operating Projects

As at 31 December 2016, the TRIG portfolio comprised 53 investments in the UK, Republic of Ireland and France, including 25 onshore wind projects and 28 solar photovoltaic projects:

Onshore Wind Farms

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[4]	Turbine (MW)
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)
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)
Green Hill	GB (Scotland)	100%	28.0	2012	Vestas (2.0)
Rothes 1	GB (Scotland)	49%	24.8	2005	Siemens (2.3)
Freasdail[5]	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)
Forss	GB (Scotland)	100%	7.2	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)
Taurbeg	SEM (Rep. of Ireland)	100%	25.3	2006	Siemens (2.3)

[4] Where a project has been commissioned in stages, this refers to the earliest commissioning date.
[5] Freasdail Wind Farm was acquired in November 2016 as a construction project with expected commissioning in March 2017.

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	2005	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)
Total Onshore Wind as at 31 December 2016			**554.5**		

Solar Photovoltaic Parks

Project	Market (Region)	TRIG's Equity Interest	Net Capacity (MW)	Year Commissioned[6]	Panel
Parley Court Farm	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/Q.Cells
Midi	France (South)	51%	6.1	2012	SunPower
Plateau	France (South)	49%	5.9	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%	2.1	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%	1.5	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

[6] Where a project has been commissioned in stages, this refers to the earliest commissioning date.

Logistisud	France (Réunion)	49%	0.6	2010	Sunpower
Sainte Marguerite	France (Guadeloupe)	49%	1.2	2011	Sunpower
Marie Galante	France (Guadeloupe)	25%	0.5	2010	GE
Total Solar PV as at 31 December 2016			**155.8**		
Total Portfolio as at 31 December 2016			**710.4**		

A Diversified Portfolio

by geography, jurisdiction, energy market, technology and revenue source

The TRIG portfolio comprises a diverse range of assets across different energy markets, regulatory jurisdictions, generating technologies, revenue contracts and/or subsidy sources, as well as a variety of geographic areas with differing meteorological conditions. This is illustrated in the segmentation below, analysed by investment value as at 31 December 2016 by market / jurisdiction and by technology / weather system, as well as by projected portfolio-level revenue type:

Portfolio by Jurisdiction (Electricity Market)

	53 project investments as at 31 December 2016
England (GB market)	28%
Scotland (GB market)	50%
Northern Ireland (SEM[7])	7%
Republic of Ireland (SEM)	2%
France	13%
Total	100%

Portfolio by Technology / Weather System

	53 project investments as at 31 December 2016
Onshore Wind (Atlantic)[8]	65%
Onshore Wind (Mediterranean)	5%
Solar PV	30%
Total	100%

Portfolio by Project Revenue Type (based on 2017 modelled revenues)

	53 project investments as at 31 December 2016
Fixed power purchase agreements and feed-in tariffs	33%
Renewable Obligation Certificates – Buyout	35%
Renewable Obligation Certificates – Recycle, Embedded Benefits, Other	5%
Power purchase agreements – market based with floor prices	12%
Power purchase agreements – market based	15%

[7] Northern Ireland and the Republic of Ireland form a Single Electricity Market ("SEM"), distinct from that operating in Great Britain.

[8] Dominant winds in the British Isles are from the south-west and are generally driven by the passages of Atlantic cyclones across the country. Dominant winds in Southern France are associated with gap flows which are formed when north or north-west air flow (associated with cyclogenesis over the Gulf of Genoa) accelerates in topographically confined channels.

Total	100%

2.4 Business Model

Introduction

The Company is a Guernsey-registered investment company listed on the London Stock Exchange, with an independent board of directors. Through the group structure, the Company owns a portfolio of renewable energy infrastructure investments in the UK, Ireland and France. 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.

Group Structure

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

The Company is a self-managed Alternative Investment Fund under the European Union's Alternative Investment Fund Managers Directive. 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 TRIG's 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 four committees covering Audit, Nomination, Remuneration and Management Engagement.

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.

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

Investment Manager *(InfraRed)*

- Monitoring financial performance against Group targets and forecasts
- Advising the Board on investment strategy and portfolio composition to achieve the desired target returns within the agreed risk appetite
- Sourcing, evaluating and implementing the pipeline of new investments for the portfolio
- Managing the investment cash flows from the Group's investments
- Minimising cash drag (having un-invested cash on the balance sheet) and improving cash efficiency generally
- Managing the process and analysis for semi-annual valuations of the Group's portfolio submitted to the Board for approval
- Ensuring good financial management of the Group, having regard to accounting, tax and debt covenants

Operations Manager *(RES)*

- Day-to-day monitoring and oversight of the operations of the Group's portfolio of investments
- Appointment of directors to each project company board
- Monitoring of service providers to project investment companies
- Facilitation of early resolution of operational issues as they arise, including performance and disputes
- Management of project-level financing including implementation and project-level debt covenants
- Management of power sales strategy including power purchase agreements
- Assisting on technical and commercial due diligence of projects being evaluated for acquisition by the Group

- Hedging non-sterling investments
- Managing the Company's investor reporting and investor relations activities
- Seeking of cost savings through contract variations and extensions
- Project level ESG co-ordination including community relations and compliance with regulations affecting project companies

Further details on the Investment Manager and the Operations Manager are set out in Section 2.1 and in Section 2.6 with respect to fees.

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, Capita Registrars (Guernsey) Limited as registrars, Deloitte LLP as auditor and National Australia Bank and Royal Bank of Scotland as lenders to the Group via the revolving acquisition facility.

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

Making New Portfolio Investments

When seeking to acquire an investment, the proposition is subject to a two-stage process: it is considered and recommended by the Advisory Committee which includes representatives of both the Investment Manager and the Operations Manager, and then it is fully assessed by the Investment Committee of the Investment Manager which, for investments within the Manager's delegated authority (with agreed limits set by the Board), gives the final approval before an investment may proceed. These committees may meet on a number of occasions before an investment is acquired by the Group. Commercial and technical due diligence is undertaken by the Investment Manager (including a review of sustainability in relation to the investment) with support from the Operations Manager on aspects such as energy yield assessment, off-take contract arrangements, maintenance and other operational costs. Third party legal and technical due diligence is commissioned as appropriate to support the acquisition.

An important characteristic of the Group is that it is well-positioned to acquire assets from its Managers, in particular RES in relation to which TRIG enjoys a right of first offer for onshore wind and solar assets developed in the UK and Northern Europe. With no representatives from RES on the Investment Committee, decisions on acquisitions from RES under the Company's Right of First Offer Agreement are taken at arms' length from the Operations Manager, while any acquisitions from other funds managed by InfraRed would require prior unanimous recommendation by the Advisory Committee and also approval by TRIG's independent Board, together with an independent valuation, as well as utilising prudent internal conflict management procedures established at InfraRed.

The Company is focused on owning operational, yielding projects although the Managers expect that there will be opportunities where it will be advantageous for the Company to invest in projects prior to their completion and grid connection. While the Company is currently invested in onshore wind and solar PV projects, there are investment opportunities in other maturing technologies in the UK and Northern Europe, notably offshore wind, as well as back-up power, electricity storage and demand-side response infrastructure.

The Company's investment policy does not permit the cost of works on projects under development or construction (and not yet operational) to which portfolio companies are exposed to exceed in aggregate 15% of overall portfolio value. As at 31 December 2016 there was one asset under construction (Freasdail) with construction costs representing approximately 2% of portfolio value.

2.5 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 20% of energy to be generated from renewable sources by 2020, 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 other developers find it necessary to recycle their capital

and

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

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.

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 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 Right of 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 Right of 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 pre-agreed 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.

The Shareholders voted at the Annual General Meeting in May 2016 to expand the investment policy of the Company such that up to 20% of its portfolio by value may be invested in investments other than onshore wind and solar PV, previously this limit was 10%. This was to position the Company to be able to take advantage of opportunities in related sectors which are increasingly being seen by the Investment Manager should the Board, as advised by the Investment Manager with input from the Operations Manager, consider the prospective risk and reward appropriate. Such investments may include other generating infrastructure or supporting technology, such as back-up power generation, energy storage or demand-side response.

2.6 Operational and Financial 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.

Category	KPI	(Year to) 31 December 2016	(Year to) 31 December 2015	(Year to) 31 December 2014	(Part year[1] to) 31 December 2013
Financial	Dividend per share (declared)	6.25p	6.19p	6.08p	6.00p (annualised)
	Share price	109.6p	102.3p	104.00p	102.25p
	Net Asset Value per share	100.1p[2]	99.0p[2]	102.4p	101.5p
	Total Shareholder Return[3] for the year (share price basis)	+ 15.7% (FTSE All Share: + 16.8%)	+ 4.4% (FTSE All Share: + 1.0%)	+ 7.5% (FTSE All Share: + 1.2%)	-

	Portfolio Value[4] *Year-on-year growth* *Number of projects* *Aggregate capacity*	£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*	£912.9m +22% 833.0	£749.7m +73% 732.8m	£432.1m +36% 415.5m	£317.0m - 310.0m
	Ongoing Charges Percentage	1.10%	1.20%	1.25%	1.20% (annualised)
Risk & Operations	Largest single investment as % of portfolio by value	11%	12%	10%	16%
	Largest ten investments as % of portfolio by value	52%	56%	65%	79%
	Operating history (portfolio average, weighted by net capacity)	6.7 years	5.9 years	5.0 years	5.5 years
	Electricity Production *% increase*	1,469 *+9%*	1,344GWh *+65%*	814GWh *+136%*	345GWh (since 1 August 2013)
	Average Revenue per MWh	£83.2/MWh	£78.6/MWh	£84.0/MWh	£84.9/MWh

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 2015 Summer Budget, of the benefit to renewables generators of selling Levy Exemption Certificates, effective 1 August 2015. 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.

4. There have been five investment transactions in the year including the acquisition of interests in 17 additional projects, with aggregate consideration of £77.7 million, as set out in more detail below.

5. Average revenue per MWh was boosted by the inclusion of the Akuo portfolio of French solar assets (feed-in-tariff type), excluding which the average revenue would have been £74.3 per MWh across the portfolio.

TRIG Portfolio Update

Portfolio Operating Performance

After exceptional meteorological conditions in 2015, the UK and Northern Europe saw further variability in weather patterns in 2016 which replaced 2015 as the warmest year globally on record. During the year, the portfolio produced a total of 1,469 gigawatt hours (GWh) of electricity, an increase of 9% over the production of 1,344GWh in 2015, reflecting the growth in the portfolio's generating capacity.

Actual generation across the year was 9% below budget, of which 7% resulted from lower-than-expected weather resource (predominantly lower wind speeds) with the remaining 2% mainly relating to uncompensated grid outages, including those noted in the interim results. Wind speeds in the UK and Ireland were 5% below long term averages for the year, equating to an 8% shortfall in generation for that segment. In addition, the UK and Ireland wind portfolio suffered a number of grid outages during the year, the most significant at the Taurbeg wind farm, resulting in a 10% shortfall in segment production overall. Lower winds were also recorded across several of the South of France wind projects causing a 6% shortfall in production against segment budget. The UK and France solar portfolio ended the year 10% below budget production. The French portfolio performed slightly above budget whilst the larger UK portfolio suffered from a major grid outage at the Parley site over several summer months as well as some downtime due to capital works performed under warranty.

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

TRIG's Portfolio – Analysis of Production

Technology	***Region***	***Electricity production (GWh) 2016***	***Performance vs. acquisition P50 estimates***		***Generating capacity (MW) Dec 2016***
			2016	***2015***	
Onshore wind	**UK & Ireland** [1]	1,103	-10%	+4%	481.4
	France	213	-6%	-4%	73.2
Solar PV	**UK & France**	153	-10%	-1%	155.8
Total portfolio		**1,469**	**-9%**	**+2%**	**710.4**

1. This included TRIG's 49% pro rata (equity) share of production from the Fred. Olsen wind portfolio in Scotland (in which Bonheur ASA, a company listed in Oslo, owns a 51% stake), which produced approximately 956GWH of electricity during the year, excluding any allocation for compensated grid downtime. Of this, the fourth quarter production was 273GWh (Q4 2015: 349GWh), predominantly reflecting low wind conditions in the quarter compared to long-term averages.

While 2016 proved a relatively low resource year in terms of both wind and solar, the performance remains within the range of expectations for weather outcomes. TRIG's production performance continues to track closely the underlying meteorological conditions in the geographies in which we operate.

Acquisitions

During the year, the Group completed five investment transactions in a further seventeen projects (one onshore wind and 16 solar PV) in France and Scotland, for a total consideration of approximately £77.7 million, bringing the portfolio at the year-end to 53 projects and increasing TRIG's generating capacity from 658MW to 710MW.

- In January 2016, the Group acquired a significant minority interest in a portfolio of 15 ground-mounted and solar rooftop solar PV projects for €57.2 million (£43.7 million).The vendor was Akuo Energy Group, which was also the original developer of the portfolio. The transaction comprised the purchase of a 49% interest in the holding company of the portfolio company as well as 100% of a mezzanine loan. Akuo continues to hold the remaining majority equity stake and to provide the assets with O&M services.

  The projects, with a gross capacity of 49 MW, are located in mainland France, Corsica and two overseas departments (all operating under French jurisdiction). Their revenues are wholly derived from French feed-in tariffs. The portfolio benefits from long term, fixed index-linked power purchase agreements with EDF of up to 20 years.

- Deferred consideration for Earlseat wind farm was paid during the year of £1.5 million. The asset was originally purchased in November 2014 with limited operational history so an adjustment was agreed based upon an updated energy yield assessment once 18 months of operational data was available.

- In July 2016 TRIG acquired a 51% interest in an additional asset developed by Akuo: a 12MW ground-mounted solar PV project in the South of France. The consideration was €10.6 million (£8.9 million) and the vendor was Ventures123. Akuo will continue to own the remaining 49% of the project and will provide O&M services. As with the other Akuo assets, Midi benefits from a long-term power purchase agreement with EDF, providing fixed, index-linked revenues.

- In November 2016, TRIG completed the acquisition of a 100% interest in Freasdail wind farm, a 22.6MW onshore wind project for £18.5 million. The project is located on the Kintyre Peninsula in Scotland and has an expected 25-year lifespan. The project is in an advanced stage of construction and is expected to be commissioned in the first quarter of 2017. Freasdail wind farm was acquired from RES, TRIG's Operations Manager.

- In November 2016, TRIG completed a further investment of €5.9 million (£5.0 million) into the TRIG / Akuo holding company which enabled it to buy out most of the remaining minority investors in the underlying solar portfolio companies. The additional net capacity owned by TRIG as at 31 December 2016 increased as a result of this further purchase to 710MW.

Onshore wind projects now comprise 70% of TRIG's portfolio by value (2015: 73%) with solar PV projects contributing the remaining 30% (2015: 27%). The portion of non-UK projects has increased over the course of 2016 to 15% (2015: 8%).

Since IPO, TRIG has acquired projects from nine different vendors (or vendor groups), including from RES under the Right of First Offer Agreement, demonstrating the breadth of opportunities available to the Company.

Financing

In April 2016, the Group renewed its three year £150 million revolving acquisition facility with Royal Bank of Scotland ("RBS") and National Australia Bank ("NAB") to fund new acquisitions and to provide letters of credit for future investment obligations should they be required. The renewal of the facility (which includes a £15 million working capital component) was on improved terms and reduced margins (of 2.05% when drawn). In January 2017 the Group extended the facility duration by a further 5 months to take the facility expiry date to 30 September 2019.

This short-term financing 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 was drawn down to fund investments several times in the year and fully repaid in the year from the proceeds of equity capital raises.

During 2016, a total of £91.2 million of new equity capital was raised (net of costs) that funded the new investments of £77.7m which after taking into account other cash movements leaves around £10 million funding surplus available that is expected to be deployed in further investments shortly. The £150 million revolving acquisition facility was undrawn at the year end and remains undrawn.

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 as at 31 December 2016 across the portfolio was 40% (2015: 38%). The slight increase in gearing has mostly arisen as a result of the acquisitions of the comparatively higher geared but lower risk French solar assets and the recently built Freasdail wind farm during the year where the projects came with existing long-term amortising project finance debt in place, net of repayments made in the period. 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).

The composition of the portfolio is relevant in considering the appropriate level of gearing to deploy within a renewables portfolio. In considering the Company's portfolio alongside others it may be noted that, in the opinion of the Managers:

- Certain of the Company's projects have no or very low power price risk during the subsidy period, when project debt is often in place, because of the design of the subsidy arrangements. These include French feed-in tariff projects, projects with long-term fixed price PPAs and, in due course, UK CfD projects. Of the TRIG portfolio, 26% by value falls into this category (of which broadly half are onshore wind projects and half are solar PV projects).

- In respect of other operational risks, the Company is invested in renewables technologies which are established and do not, for example, rely on feedstock supplies or process engineering. The portfolio includes solar PV projects which typically enjoy lower variation to their periodic cash flows than wind projects as well as onshore wind which has less operational risk than offshore wind.

As at 31 December 2016, the Group had cash balances of £18.7 million, excluding cash held in investment project companies as working capital or otherwise.

Foreign Exchange Hedging

At the year-end, 15% of the portfolio was located within France and the Republic of Ireland and hence is invested in euro-denominated assets.

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 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 0.6p – this is explained in more detail in Section 2.7 (Valuation Sensitivities – euro/sterling exchange rate).

Analysis of Financial Results

As at 31 December 2016, the Group had investments in 53 projects. As an investment entity for IFRS reporting purposes, the Company carries these 53 investments at fair value. The results below are shown on a statutory and on an "expanded" basis done in previous years. See the box below for an explanation of the two methods of preparation.

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 and the comparative period 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 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 key financial statements. The commentary provided on the primary statements of TRIG is on the Expanded Basis.

Income Statement	Balance Sheet	Cash Flow 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.	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 to the Company at both 31 December 2016 and 31 December 2015. As at 31 December 2016, TRIG UK was undrawn under its revolving acquisition facility (2015: £nil million drawn) accordingly the adjustment between the Statutory IFRS basis and the Expanded basis is very small.	The Statutory IFRS basis shows cash movements for the top company only (TRIG). 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 applied to reinvestment and expenses incurred by TRIG UK that are excluded under the Statutory IFRS basis.

Income statement

Summary income statement	**Year to 31 December 2016 £'million**			**Year to 31 December 2015 £'million**		
	Statutory IFRS Basis	**Adjustments[1]**	**Expanded Basis**	**Statutory IFRS Basis**	**Adjustments[1]**	**Expanded Basis**
Operating income	76.0	12.1	88.1	15.9	11.4	27.3
Acquisition costs	-	(0.3)	(0.3)	-	(1.1)	(1.1)
Net operating income	76.0	11.8	87.8	15.9	10.3	26.2
Fund expenses	(1.0)	(7.9)	(8.9)	(1.0)	(6.2)	(7.2)
Foreign exchange (losses)/ gains	(7.1)	-	(7.1)	2.0	(0.1)	1.9
Finance costs	-	(3.9)	(3.9)	0.1	(4.0)	(3.9)
Profit before tax	67.9	-	67.9	17.0	-	17.0
EPS	8.8p		8.8p[2]	3.0p		3.0p

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 771.4 million shares.

Analysis of Expanded basis income statement

Profit before tax for the year to 31 December 2016 was £67.9 million, generating earnings per share of 8.8p. The net operating income for 2016 of £87.8 million is significantly greater than the income for the previous year (£26.2 million). The previous year results are after the adverse impact on the portfolio valuation of the 8 July 2015 UK Summer Budget of £20.2 million which included the removal of the Climate Change Levy exemption for renewably sourced electricity. Also income has increased versus 2015 partly because the portfolio has increased in size and partly because of a larger valuation gain (power price forecasts reduced less in 2016 compared to 2015 and there has been a greater reduction in valuation discount rates in 2016 compared to 2015). Portfolio value movements (which make up operating income) are more fully described in Section 2.7 of this Strategic Report.

The increase in expenses in the year ended 31 December 2016 as compared to the previous year reflects the increase in the size of the portfolio.

Acquisition costs, the costs to purchase new investments, represent 0.4% (2015: 0.4%) of the cost of the assets acquired as set out below.

	Year to 31 December 2016 (£'million)	Year to 31 December 2015 (£'million)
Acquisition costs	0.3	1.1
Purchase of new investments	77.7	299.3[1]
Acquisition costs as % of investments	0.4%	0.4%

1. Purchase of new investments balance include €57.2 million which relates to the investment in the Akuo French solar projects completed in January2016 with the acquisition costs for this investment having been incurred in 2015.

Fund expenses of £8.9 million (2015: £7.2 million), includes all operating expenses and £7.6 million (2015: £6.1 million) fees for the Investment and Operations Managers. Management fees are charged at 1% of Adjusted Portfolio Value as set out in more detail in Note 18 to the Financial Statements.

The strengthening of the euro against sterling during 2016 has increased the value of the euro-denominated assets in TRIG's investment portfolio, with foreign exchange gains recognised in the portfolio of £16.0 million (2015: £3.0 million loss). This was partially offset by the foreign exchange losses on hedges held outside the portfolio of £7.1 million (2015: £1.9 million gain).) 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 period is hence £8.9 million (2015: £1.1 million loss).

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

Ongoing charges

Ongoing Charges (Expanded Basis)	Year to 31 December 2016 £'000s	Year to 31 December 2015 £'000s
Investment and Operations Managers' fees	7,609	6,090
Audit fees	93	99
Directors' fees and expenses	195	172
Other ongoing expenses	676	565
Total expenses[1]	8,573	6,926
Average net asset value	780,443	576,136
Ongoing Charges Percentage (OCP)	1.10%	1.20%

1. Total expenses excludes £0.3 million (2015: £0.3 million one off professional fees excluded) of lost bid costs incurred during the year.

The Ongoing Charges Percentage has reduced to 1.10% (2015: 1.20%). The reduction in OCP reflects portfolio growth during the year as the Group's expenses are spread over a larger capital base. 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 period. 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.

Balance sheet

Summary balance sheet	As at 31 December 2016 £'million			As at 31 December 2015 £'million		
	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis

Portfolio value	818.8	0.0	818.7	711.6	0.7	712.3
Working capital	(2.0)	(1.1)	(3.1)	0.1	(1.0)	(0.9)
Debt	-	-	-	-	-	-
Cash	18.5	0.2	18.7	14.9	0.3	15.2
Net assets	**834.3**		**834.3**	**726.6**	**-**	**726.6**
Net asset value per share	100.1p		100.1p	99.0p		99.0p

Analysis of Expanded basis balance sheet

Portfolio value grew by £106.4 million in the year to £818.7 million, largely as a result of the acquisitions in the year as described more fully in Section 2.7 of this Strategic Report.

Group cash as at 31 December 2016 was £18.7 million (2015: £15.2 million) and acquisition facility debt drawn was £Nil (2015: £Nil).

Net assets grew by £107.7 million in the year to £834.3 million. The Company raised £92.0 million (after issue expenses) of new equity during the year and produced a £67.9 million profit in the period, with net assets being stated after accounting for dividends paid in the period (net of scrip take-up) of £53.0 million. Other movements in net assets totalled £0.8 million, being the Managers' entitlement to shares accruing in H2 2016 and to be issued on or around 31 March 2017.

Net asset value ("NAV") per share as at 31 December 2016 was 100.1p compared to 99.0p as at 31 December 2015.

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

	NAV per share	**Shares in issue (m)**	**Net assets (£m)**
Net assets as at 31 December 2015	99.0p	733.6	726.6
Profit/EPS to 31 December 2016	8.8p[1]	-	67.9
Shares issued (net of costs)	-	92.8	92.0[2]
Dividends paid in 2016	(7.7)	-	(59.7)
Scrip dividend take-up	-	6.6[3]	6.7
H2 2016 Managers' shares to be issued	-	0.8	0.8
Net assets as at 31 December 2016	100.1p	833.8	834.3

1. Calculated based on the weighted average number of shares during the year being 771.4 million shares

2. Includes shares issued to Managers (less costs) during the year.

3. Scrip dividend take-up comprised: 2.7 million shares in March 2016, equating to £2.6 million; 0.1 million shares in June 2016, equating to £0.1 million; 1.6m shares in September 2016, equating to £1.7 million; and 2.2 million shares in December 2016, equating to £2.3 million. In each case these were shares issued in lieu of cash dividends.

Cash flow statement

Summary cash flow statement	Year to 31 December 2016 £'million			Year to 31 December 2015 £'million		
	Statutory IFRS Basis	Adjustments	Expanded Basis	Statutory IFRS Basis	Adjustments	Expanded Basis
Cash received from investments	47.4	12.1	59.5	24.0	18.4	42.4
Operating and finance costs	(1.1)	(8.1)	(9.2)	(0.8)	(7.6)	(8.4)
Cash flow from operations	46.3	4.1	50.3	23.3	10.8	34.0
Debt arrangement costs	-	(1.6)	(1.6)	-	(1.6)	(1.6)
Foreign exchange losses	(4.9)	-	(4.9)	3.2	0.1	3.1
Issue of share capital (net of costs)	92.7	(1.5)	91.2	311.7	(0.9)	310.8
Acquisition facility drawn/(repaid)	-	-	-	-	(60.1)	(60.1)
Purchase of new investments (including acquisition costs)	(77.5)	(1.0)	(78.5)	(307.3)	51.7	(255.6)
Distributions paid March - September	(42.3)	-	(42.3)	(28.3)	-	(28.3)
Distribution paid December	(10.7)	-	(10.7)	-	-	-
Cash movement in period	3.6	(0.1)	3.5	2.5	(0.2)	2.3
Opening cash balance	14.9	0.3	15.2	12.4	0.5	12.9
Net cash at end of period	18.5	0.2	18.7	14.9	0.3	15.2

Analysis of Expanded basis cash flow

Cash received from investments in the period was £59.5 million (2015: £42.4 million). The increase in cash received compared with the previous year reflects the increase in the size of the portfolio.

Dividends paid in the year were in respect of 15 months of operations following the move to quarterly dividends from semi-annual dividends during the year and totalled £53.0 million (net of £6.7m scrip dividends). Excluding the final dividend paid in the year of £10.7m (which is net of £2.3m of scrip dividends) the dividends paid relating to a 12-month period were £42.3m (net of £4.4m of scrip dividends). Dividends in the previous year were £28.3m (net of £4.5m of scrip dividends).

Cash flow from investments in the period less costs was £50.3 million (2015: £33.9 million) and, excluding the additional quarterly dividend arising due to the move from semi-annual to quarterly dividend payments, covers dividends paid of £42.3 million in the period by 1.2 times. This would be 1.1 times without the benefit of scrip take up in the period or 1.6 times before factoring in amounts invested in the repayment in project-level debt. The Group repaid £24m of project-level debt (pro-rata to the Company's equity interest) in the year.

Share issue proceeds (net of costs) totalling £91.2 million (2015: £310.8 million) reflects the net proceeds of the 92 million shares issued during the year under the Share Issuance Programme launched in April 2016. £78.5 million of the proceeds of the share issuance programme were invested in acquisitions or incurred in acquisition costs. After allowing for other cash movements the Group has a funding surplus available for investment remaining of around £10 million.

Cash balances increased slightly in the year which reflects the net effect of the share capital raised not being fully deployed at the year-end (that increases cash) and the additional quarterly dividend paid in the year (that reduces cash).

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 IAS 39, given the special nature of infrastructure investments. Where an investment is traded, a market quote is used.

The valuation for each investment reflected in the portfolio valuation 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 is the same method as applied since the inception of the Company.

The Directors' Valuation of the portfolio as at 31 December 2016 was £818.7 million. This valuation compares to £712.3 million as at 31 December 2015 and £759.5 million at 30 June 2016.

Valuation Movements

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

Valuation movement during the year to 31 December 2016	**£'million**	**£'million**
Valuation as at 31 December 2015		**712.3**
New investments in the period	77.7	
Cash distributions from portfolio	(59.5)	
Rebased valuation of portfolio		**730.5**
Change in forecast power prices	(16.2)	
Change in economic assumptions – discount rate	31.6	
Change in economic assumptions – interest rates	0.4	
Forex movement on euro investments	16.0	
Change in taxation assumptions	6.2	
Portfolio return	50.2	
Valuation as at 31 December 2016		**818.7**

Allowing for investments of £77.7 million and cash receipts from investments of £59.5 million, the rebased valuation is £730.5 million. The valuation as at 31 December 2016 is £818.7 million, representing an increase over the rebased valuation of 12.1% over the year.

Each movement between the rebased valuation and the 31 December 2016 valuation is considered in turn below:

Forecast power prices: Overall net reductions in power price forecasts during the year had the impact of reducing the valuation of the portfolio by a net £16.2 million. The valuation uses updated power price forecasts for each of the markets in which TRIG invests, namely the GB market, the Irish Single Electricity Market and the French market.

The £16.2 million valuation loss breaks down into a loss for the first half of the year of £43.0 million (that predominately related to the first quarter of the year) and a valuation gain in the second half of the year of £26.8 million. This reflects a recovery in the GB power market prices, where imported fuel, notably gas, has increased in cost when denominated in sterling as a result of the depreciation of sterling. It should be noted however that the power price forecasts in France and the Single Electricity Market of Ireland declined throughout the year as gas prices in Euro have remained low with globally weak demand and some oversupply.

The weighted average power price used in the Directors' valuation is comprised of the blend of forecasts for each of the three power markets in which TRIG is invested after applying expected Power Purchase Agreement power sales discounts. The forecast assumes an increase in power prices in real terms over time.

(i) *Foreign exchange*: Significant weakening of sterling in the year versus the euro has led to a £16.0 million gain on foreign exchange in the period in relation to the euro-denominated investments located in France and the Republic of Ireland, which reduces to a £8.9m gain after the impact of hedges as stated below. As at 31 December 2016, euro-denominated investments comprised 15% of the portfolio .

The Group enters into forward hedging contracts against its expected income from euro-denominated investments 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%.

As sterling depreciated the currency hedge incurred a £7.1 million loss in the year to 31 December 2016 and serves to reduce the sensitivity to movements in the euro/sterling exchange rate. The overall positive impact on net assets of the foreign exchange movement is hence £8.9 million after netting off the £7.1 million impact of the foreign exchange hedge.

(ii) *Change in Economic Assumptions – discount rates*: During the year, there has continued to be strong demand for income-producing infrastructure assets, including renewable energy projects, as the market matures and more investors seek to gain exposure. This level of demand appears to be even stronger following the Brexit vote and at the year end the Managers report the market for renewables investments being very strong. This has resulted in a continued reduction in the prevailing discount rates applied for operating projects which more than offsets the valuation impact of the net overall reductions in power price forecasts. 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 0.5% in discount rates in the year (a 0.2% reduction was applied in the first half of the year and a further 0.3% reduction has been applied at the year-end). The reduction in valuation discount rates increased the valuation by £31.6 million.

The weighted average portfolio valuation discount rate as at 31 December 2016 was 8.4% (31 December 2015: 9.0%). The reduction reflects both the market discount rate compression and the investment in French solar projects in the year (which have a lower level of return than the portfolio average).

(iii) *Change in Economic assumptions – interest rates*: The valuation assumes lower interest rates (with increases occurring later than previously and a lower long term rate). This assumption affects interest receivable/payable rates applied to cash deposits and project level debt not subject to fixed rate swaps to reflect lower interest rate projections – rates now assumed are 1% until March 2021 (previously March 2019) and a 2.0% rate thereafter (previously 2.5%). This change in assumption leads to an increase in the valuation of £0.4 million.

(iv) *Changes in taxation assumptions*: The most significant change was the Chancellor's announcement in the UK March 2016 Budget of further planned reductions in UK corporation tax (to 17% by 2020) partially offset by slower use of brought forward corporation tax losses. The changes in tax announced provided a net benefit to the valuation of £6.2 million. (This change is unchanged from that reported at the half year).

(v) *Portfolio return*: This refers to the balance of valuation movements in the period (excluding (i) to (iv) above and represents an uplift of £50.2m. This represents a 6.9% increase in 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 prevailing portfolio discount rate (8.7%). The lower than budgeted power generation production, caused mostly by lower wind speeds, also impacts this item.

Valuation Sensitivities

The Investment Manager has provided sensitivity analysis 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 model life. All of the NAV per share sensitivities assume 833.8 million Ordinary Shares as at 31 December 2016 (which includes those in issue as well as approximately 0.8 million shares due to be issued in March 2017 as part-payment of the Managers' fees).

The analysis below shows the sensitivity of the portfolio value to changes in key assumptions as follows:

Discount rate assumptions

The weighted average valuation discount rate applied to calculate the portfolio valuation is 8.4% as at 31 December 2016. The sensitivity shows the impact on valuation of increasing or decreasing this rate by 0.5%.

Discount rate sensitivity	**-0.5%**	**Base 8.4%**	**+0.5%**
Directors' valuation	+£32.0m	£818.7m	-£30.1m
Implied change in NAV per Ordinary Share	+3.8p/share		-3.6p/share

Energy yield assumptions

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. The terms P90, P50 and P10 are explained below.

Energy yield sensitivity	**P90 (10-year)**	**Base (P50)**	**P10 (10-year)**
Directors' valuation	-£80.4m	£818.7m	+£77.8m
Implied change in NAV per Ordinary Share	-9.6p/share		+9.3p/share

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 though this exceeds 10 years in all cases).

Power price assumptions

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.

Power price sensitivity	-10%	Base	+10%
Directors' valuation	-£63.6m	£818.7m	+£64.3m
Implied change in NAV per Ordinary Share	-7.6p/share		+7.7p/share

Inflation assumptions

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 France and Ireland .

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 rate sensitivity	-0.5%	Base	+0.5%
Directors' valuation	-£39.8m	£818.7m	+£45.0m
Implied change in NAV per Ordinary Share	-4.8p/share		+5.4p/share

Operating costs at project company level

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 2017 and that change to the base case remains reflected consistently thereafter during the life of the projects.

Operating cost sensitivity	-10%	Base	+10%
Directors' valuation	+£27.9m	£818.7m	-£27.9m
Implied change in NAV per Ordinary Share	+3.3p/share		-3.3p/share

Euro/sterling exchange rates

This 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 2016 valuation (based on a 31 December 2016 exchange rate of €1.1709 to £1). In each case it is assumed that the change in exchange rate occurs from 1 January 2017 and thereafter remains constant at the new level throughout the life of the projects.

At the year-end, 15% of the portfolio was located in 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.

Exchange rate sensitivity	-10%	Base	+10%
Directors' valuation	-£5.3m	£818.7m	+£5.3m
Implied change in NAV per Ordinary Share	-0.6p/share		+0.6p/share

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.

Interest rates applying to project company debt and cash balances

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 2017 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 rate sensitivity	**-1%**	**Base**	**+2%**
Directors' valuation	+£1.9m	£818.7m	-£3.8m
Implied change in NAV per Ordinary Share	+0.2p/share		-0.5p/share

Corporation Tax Rate Sensitivity

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 and the NAV per share 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.

Tax sensitivity	**-2%**	**Base**	**+2%**
Directors' valuation	+£14.0m	£818.7m	-£14.0m
Implied change in NAV per Ordinary Share	+1.7p/share		-1.7p/share

It should be noted that all of TRIG's sensitivities above are stated after taking into account the impact of project level gearing on returns.

2.8 Outlook

Market Conditions and Impact on TRIG's Operating Portfolio

2017 has begun with the prospect of continued political and economic uncertainty in the aftermath of the Brexit referendum and the subsequent devaluation of sterling, with the impending elections in several major European countries and with the recent change in the US presidency. Interest rates remain low and the prolonged effect of potentially lower economic growth may prevail against a near-term rate rise in the UK, despite inflationary pricing pressures linked to sterling devaluation. Amidst this uncertainty, TRIG is fundamentally well-positioned owing to its long-term yield-based returns, inflation-linked upside and low correlation with equity markets.

Since 2013, the TRIG team has worked to create a strong portfolio of cash-generative assets enabling the Company to deliver an attractive dividend, to withstand an array of external challenges and perform as a steady and diversifying income-based investment. While some two-thirds of TRIG's near-term project portfolio revenues are fixed-type, the remainder are exposed to fluctuations in expected wholesale power prices. Having faced the NAV impact of falling wholesale power prices since IPO, there is the potential for shareholders to benefit from any sustained improvement in the UK and/or European power markets, should this materialise.

The compelling income-based characteristics of operating renewables infrastructure projects ensure that the market for new investments remains competitive. While this has been positive for the valuation of the Company's existing investments, many of which were acquired when discount rates were higher, it is becoming more challenging to originate new investments that are value-accretive. As well as numerous listed and private funds, insurance companies and pension funds are growing their exposure to renewables. The UK and broader European renewables market has also seen increased interest from a range of international investors, including state pension funds, energy groups (particularly from Asia) and high net worth investors. The recent step-down in sterling (so far arguably the most significant outcome of the Brexit vote for renewables) has provided an additional currency-based rationale for such investors looking at the UK.

Following an enormous volume of renewables development across Europe over the past five years, buttressed with supportive government incentive schemes, TRIG and its peers have benefited from a steady stream of projects becoming available for acquisition and recent development has been such that we can look forward to continued deal flow for several years. This said, in the UK, TRIG's core market, the Government has been reducing subsidy levels for new wind and solar developments, notably with the phasing out of ROC projects and the introduction of an alternative Contracts-for-Difference (CfD) system which in the second round has not favoured the lowest price technologies of onshore wind and solar PV. Although this is consistent with the costs of technologies coming down, it is likely that deployment in onshore wind and solar PV will slow sharply over the near term as developers adjust to the new pricing dynamics and prepare for an unsubsidised future – which is likely to be several years ahead of us for large-scale schemes.

2016 was a relatively quiet year for TRIG on the investment side – at least in terms of capacity and value of projects in which it has completed investment, although 2017 has started with a full pipeline of opportunities under review and the Investment Manager will continue to seek appropriate investments to increase the scale and diversification of the Company without being drawn into excessive pricing in competition with some of the "strategic" bidders seen in 2016.

TRIG also has the advantage of being able to invest across a range of technologies and jurisdictions with attractive risk / return dynamics. There is an increasing pipeline in alternative renewable technologies beyond onshore wind and solar PV, including offshore wind, demand-side response and energy storage – as they build operational and financial track records. Similarly, as TRIG continues to expand its portfolio, it will not only focus on further investment in the UK, France and Ireland, but it is also considering additional appropriate geographies for investment, most likely in Northern Europe – including Scandinavia, Germany and Benelux.

Over the longer term, the Manager remains confident about the renewables market in the UK. The UK is bound by decarbonisation obligations nationally (under the Climate Change Act 2008) and internationally (through longer-term commitments as a UN COP21 signatory as well as its nearer-term 2020 EU obligations). The UK requires a balanced generation mix, in which renewables and supporting technologies such as storage and dispatchable generation will play an integral role. With the closure of coal fired power stations, deployment of alternative energy sources is vital to maintaining a generating capacity margin and to "keeping the lights on". The Company notes the UK Government's commitment in the second half of 2016 both to new large-scale offshore wind as well as to new nuclear development and more recently, in January 2017, the positive Hendry Report on tidal lagoon technology, in which the UK is a pioneer and where InfraRed is one of the leading proponents. There has also recently been a step-up in public concern regarding urban pollution in London as well as elsewhere around the world which can only accelerate initiatives to further the electrification of transport systems.

The Board and Managers continue to work closely in reviewing the evolving landscape in renewables infrastructure and assessing new opportunities for investment to grow the portfolio and to ensure the existing portfolio delivers to investors a stable return. Despite current macro-economic and political uncertainties, the Company remains confident of its ability to build on the strong foundations of its performance since its IPO in 2013 – based on a substantial, high-quality and diversified portfolio and on skilled and disciplined management – and to continue to generate an attractive long-term income-based return for investors well into the future.

2.9 Ten Largest Investments

Set out below are the ten largest investments in the portfolio. As at 31 December 2016, the largest investment (the Crystal Rig II Wind Farm) accounted for approximately 11% of the portfolio by value. In total, the 10 largest projects accounted for approximately 52% of the project portfolio by value (2015: 56%).

Project	Location	Type	% of project portfolio by value as at 31 December 2016	% of project portfolio by value as at 31 December 2015
Crystal Rig II	Scotland	Wind (Atlantic)	11%	12%
Mid Hill	Scotland	Wind (Atlantic)	6%	5%
Hill of Towie	Scotland	Wind (Atlantic)	5%	6%
Altahullion	N. Ireland	Wind (Atlantic)	5%	4%

Green Hill	Scotland	Wind (Atlantic)	5%	5%
Rothes II	Scotland	Wind (Atlantic)	4%	5%
Earlseat	Scotland	Wind (Atlantic)	4%	5%
Parley	England	Solar PV	4%	5%
Pauls Hill	Scotland	Wind (Atlantic)	4%	5%
Egmere	England	Solar PV	4%	4%
Total			**52%**	**56%**

Further information on each of these investments and on other investments in the portfolio are set out in Section 2.3 of this Strategic Report.

2.10 Risks and Risk Management

Risks and Uncertainties

While there are a broad range of risk elements that may potentially impact TRIG including ones 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. The key event has been the Brexit vote in June 2016, which adds further uncertainty. It is noted that the outturn of the exit negotiations could lead to a second independence referendum for Scotland, discussed further below, and that the UK government may have a wider range of options when selling energy policy in the future, but with the Climate Change Act expected to provide a positive overall direction for renewables. This subject is covered under the commentary below on both 'Electricity Prices' and 'Government Support for Renewables.

Major Risk Category	***Key Mitigants***
Portfolio electricity production falling short of expectations	• Established nature of onshore wind and solar PV technologies • Complementary seasonal bias of wind and 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 falling or not recovering as expected	• Approximately two-thirds of TRIG's near-term portfolio-level revenue is fixed-type in nature, without power price exposure • Electricity is sold into three distinct electricity markets (GB, Irish SEM[9] and France) • 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 • Recent falls in electricity prices provide upside opportunity from economic growth, increased carbon taxes, generation supply constraints or other factors that may cause prices to rebound • 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 • Recent emphasis on energy security as a key item on the public agenda, in light of

[9] Northern Ireland and the Republic of Ireland form a Single Electricity Market ("SEM") distinct from that operating in Great Britain.

	both dwindling North Sea fossil fuel production and broader geopolitical concerns • Strong public and political momentum in TRIG's markets of focus towards maintaining a growth in the contribution of renewables towards 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. 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 large proportion of subsidies together with power price agreements ("PPAs") with fixed prices or price floors, fixed price feed-in tariffs ("FITs") and some assets with no exposure at all.

In 2017, 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.

It is forecast that in the long term European wholesale electricity prices will increase in real terms from current levels. The primary driver for rises in wholesale prices is recovering gas prices, with cheap sources of gas declining and an increased reliance on more expensive gas (LNG) to meet demand. Carbon taxes are also expected to increase across Europe.

In the UK, TRIG's principal market, the recent depreciation of sterling brought on by the Brexit vote in June has raised the domestic cost of internationally priced commodities, including coal and gas, putting upward pressure on electricity prices. In the short term, TRIG has been able to benefit from these higher prices. Over the longer-term the outcome of the UK's 'Leave' vote is less clear, not only for electricity prices but also in other respects, including broader political and economic changes (for example whether in relation to regulations, GDP growth, foreign exchange, inflation or interest rates) and potential resultant changes in investment appetite.

In France, TRIG's second most significant geographic exposure, electricity prices remain low, not having had a currency boost, but have the potential to increase if there is a rise in gas and carbon prices which are still at relatively low levels. Reduced nuclear generation in the coming years, as instigated by the Hollande government, may put upward pressure on power prices with tightening of overall generation capacity. The recent 'Energy Transition Law,' which came into effect in January 2016, caps nuclear capacity at 40% of national electricity production.

Progress in storage technologies may assist with dispatching wind and solar generation to a market with increasingly intermittent generation. This can increase the average price received for power sales.

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", with the most recent power forecasts being incorporated for each acquisition, 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 Support for Renewables

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 gradual emergence of local shale oil and gas opportunities may partially mitigate any reduction in North Sea oil and gas production, but 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.

Geographically, the Company focuses its investments predominantly on the UK and Northern Europe where there is a strong emphasis on delivering versus challenging renewable energy deployment targets for 2020, and showing consistency in grandfathering prior subsidy commitments to operating plants.

Ofgem, the UK energy regulator, is currently reviewing the arrangements for embedded generation which may result in changes to the levels of 'embedded benefits.' These are additional regulatory incentives for the deployment of renewables capacity connected to distribution networks. Although the outcome of this review is not yet clear, the Managers will continue to monitor the consultation as it progresses and update forecasts accordingly.

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 above.

Other risk factors which TRIG has been monitoring closely include:

Interest rates: While interest rates remain low in our markets of focus, the recent increase in US interest rates have turned attention to the potential impact of higher rates elsewhere in due course. To the extent that higher rates are correlated with higher inflation, the portfolio is protected by a natural hedge through exposure to inflation-linked subsidies. In addition, TRIG's project-level debt is generally structured (including with swaps) to fix the levels of interest payments.

The Brexit Vote: The UK's vote on 23 June 2016 to leave the EU has resulted in political and economic uncertainty with consequent market volatility. The full implications of the Brexit vote are still difficult to assess with the Article 50 leaving negotiations yet to unfold. The impact of Brexit is already partially addressed under the major risk factors above, although one additional uncertainty is how Brexit may affect Scotland and in particular how any further potential independence initiatives might impact on its currency (potentially leaving sterling for the euro materially increasing the Group's currency exposure) and on the renewables market, including future new capacity deployment, the treatment of subsidies or the trajectory of power prices.

For TRIG's future portfolio valuations, the post-Brexit 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 (as indeed have been the case during 2016). 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.

In terms of macroeconomic impact, inflationary pressure in the UK is likely. Higher inflation is mitigated by the inflation linkage in the underlying contracts for the project companies.

BEPS: In December 2016, following consultation with industry, HMRC published their latest proposals for the implementation in April 2017 of the OECD's Base Erosion Profit Shifting (BEPS) initiative in relation to the tax deductibility of corporate interest expense. The Company's tax advisers and the Investment Manager took part in the consultation and have been reviewing the development of the proposals and have considered the potential impact on the Company. Assuming the draft proposals are implemented in their current form, they are not expected to materially impact the Company materially. The Company and its advisers will continue to monitor the situation and participate alongside industry peers in the consultation process.

In addition, there are other risks also regularly assessed by TRIG – including in the areas of operations, markets, liquidity, credit, counterparties and taxation, and these are set out in the following section on risk management.

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 the 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 creation 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, tax
Liquidity	Fund-level portfolio liquidity, fund-raising, project-level liquidity and gearing
Counterparty	Contractual concentration
Credit	Risk of counterparty failure
Market	Power price, macro-economic (currency, interest rates, inflation), share price, competition
Tax	Withdrawal of tax relief on interest deductions 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 power purchase agreement ("PPA") with a utility or energy trading company to enable them to sell the electricity generated and to receive the feed-in tariff 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 usually with the turbine manufacturer. For both wind and solar sectors, projects may also benefit from equipment provider warranties.

TRIG has a broad range of PPA counterparties, equipment providers and maintenance contractors. No supplier or off-taker is currently involved in more than 50% of the projects by 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). Further acquisitions are likely to provide further diversity of counterparty exposures.

2.11 Sustainability and Corporate Culture

The Board recognises the importance of sustainability and corporate culture in meeting the Company's long-term objectives and is ambitious in promoting behaviours and activities which maximise the Company's impact in these areas.

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

- Considering the risk culture of the Company and within the Managers on a regular basis to confirm it is consistent with the risk appetite of the Company's investors and expected to support the sustainability of the Company;
- 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 the engagement with the investment community, the renewables industry and regulators where the Company's progress can be measured amongst the broader stakeholders. The Chairman sets the bar high in creating and maintaining an effective corporate culture, for example, by her active advocacy of equal opportunities (outside TRIG, the Chairman sits on the steering board advising the Parker Review regarding the ethnic diversity of UK boards), by attending site visits with investors and investment industry events and by making a point of putting business in its proper perspective at a more detailed level, for example by ensuring safety is the first issue addressed at Board meetings.

As TRIG has no employees, 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.

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. 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: in the last staff satisfaction survey, 92% of RES employees said they were 'proud to be associated with RES'.

RES' leadership insists 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. In 2013, RES staff members across the company were involved in the development of the company's values. More recently these have been simplified to Passion, Accountability, Collaboration and Excellence.

RES supervises a range of activities at a portfolio level 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. These community initiatives included more than £400,000 in financial contributions alongside substantial staff involvement.

The overall environmental contribution of the investment portfolio is substantial, with the portfolio as at 31 December 2016 capable of producing enough clean energy annually to power the equivalent of 390,000 homes in the UK, France and Ireland while avoiding the emission of 570,000 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 and with local government and communities. 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.

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.

20 February 2017

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

Section 3
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 55, is an experienced chairman and non-executive director. 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. She is also a director of SSE plc where she joined the board in March 2016. Her other directorships are with Bonheur ASA, an Oslo listed company, which she joined in October 2013 (and which in May 2016 merged with Ganger Rolf ASA where Helen was also on the board), and SVG Capital plc (from July 2014) where she chairs the Remuneration Committee. SVG Capital plc (SVG) is in the process (following shareholder agreement) of selling its assets to an entity managed by HarbourVest Partners LLC and it is expected that SVG will be wound up during 2017. Helen is also a member of the steering committee of the Parker Review which in 2016 reported on ethnic minorities on UK Boards. She was a director of Stagecoach Group plc from January 2010 until February 2016 and she also chaired the Health, Safety and Environment Committee there. She was also non-executive director of Aga Rangemaster Group plc between March 2003 and December 2009. In 2005 and 2006, Helen sat on the General Management Committee of the Bar Council and chaired its Employed Barristers' Committee in 2006 and was a Director of Bar Services Company Ltd between January 2006 and February 2008. Helen was Chair of the General Counsel 100 Group in 2007. Helen qualified as a barrister and was an Associate of the Chartered Insurance Institute. Helen was awarded a CBE for services to business in June 2015. Helen is a resident of the UK.

Jon Bridel *(Director, appointed 14 June 2013)*, aged 52, is currently a non-executive chairman or director of listed and unlisted companies comprised mainly of investment funds and investment managers. These include Alcentra European Floating Rate Income Fund Limited, Starwood European Real Estate Finance Limited, Sequoia Economic Infrastructure Income Fund Limited and Funding Circle SME Income Fund Limited which are listed on the main market of the London Stock Exchange, as well as DP Aircraft I Limited and Fair Oaks Income Fund Limited. He was previously Managing Director of Royal Bank of Canada's investment businesses in the Channel Islands. Prior to this and after specialising in corporate finance with Price Waterhouse, Jon served 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 Chartered Institute of Marketing and the Australian Institute of Company Directors. Jon is a member of the Chartered Institute of Marketing, 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 57, is an English property solicitor with over 30 years of experience in commercial property. She retired as Senior Partner of Spicer and Partners Guernsey LLP on 30 November 2014 and has taken up the position of consultant with Collas Crill, specialising in English commercial property. Her last position in the United Kingdom was as a senior partner of Edge & Ellison. For two years until 2001, she was Chief Executive of a property development company active throughout the United Kingdom and the Channel Islands. 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 is also a director of Medicx Fund Limited, a main market listed investment company investing in primary healthcare facilities. She is also non-executive Chairman of the Channel Islands Property Fund Limited which is listed on the Channel Islands Securities Exchange and also holds other non-executive positions. 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 61, 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 E.ON, and also served on a variety of boards including E.ON Värmekraft Sverige AB, Horizon Nuclear Power Ltd. and the UK Association of Electricity Producers. Prior to E.ON, 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. Klaus is a resident of Germany.

Section 4
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.

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

20 February 2017

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

Section 5

Report of the Directors

The Directors present their report and accounts of the Company for the year to 31 December 2016.

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 2016 for an aggregate annual dividend of 6.25p (2015: 6.19p) per share as follows:

- 1.5625p per share was declared on 5 May 2016, to shareholders on the register as at 27 May 2016, paid on 30 June 2016;
- 1.5625p per share was declared on 28 July 2016, to shareholders on the register as at 19 August 2016, paid on 30 September 2016;
- 1.5625p per share was declared on 8 November 2016, to shareholders on the register as at 18 November 2016, to be paid on 30 December 2016; and
- 1.5625p per share was declared on 9 February 2017, to shareholders on the register on 17 February 2017, to be paid on 31 March 2017.

The Company had one class of share capital, Ordinary Shares, in issue on 31 December 2016.

Shares in Issue

Ordinary Shares in issue have increased during the year from 732,838,095 to 832,998,413 as a result of further share issues, issue 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 2015	Opening Position	732,838,095	732,838,095
31 March 2016	issue of scrip dividend shares in lieu of 2015 (H2) interim dividend	2,715,189	735,553,284
31 March 2016	issue of shares to the Managers in lieu of fees relating to 2015 Q3 and Q4	736,190	736,289,474
19 May 2016	Placing (£30.3m raised)	30,000,000	766,289,474
30 June 2016	issue of scrip dividend shares in lieu of 2016 1st (Q1) interim dividend	133,715	766,423,189
27 September 2016	Placing (£62.6m raised)	62,000,000	828,423,189
30 September 2016	issue of scrip dividend shares in lieu of 2016 2nd (Q2) interim dividend	1,635,646	830,058,835

30 September 2016	issue of shares to the Managers in lieu of fees relating to 2016 Q1 and Q2	781,125	830,839,960
30 December 2016	issue of scrip dividend shares in lieu of 2016 3rd (Q3) interim dividend	2,158,453	833,998,413
31 December 2016	Closing Position	832,998,413	832,998,413

Share Issues in the Year

In April 2016, the Company published a prospectus to implement a second Share Issuance Programme enabling the issuance of up to 300 million new Ordinary Shares and/or C shares over the ensuing 12 months. Under the Share Issuance Programme, the Company undertook two equity fund-raisings during the year.

On 17 May 2016, the Company raised gross proceeds of £30.3 million through the issue of 30,000,000 New Ordinary Shares at an Issue Price of 101.0 pence each. The net proceeds were applied towards paying down amounts drawn under the Group's revolving acquisition facility that had been used to fund the acquisition of a portfolio of solar PV projects from Akuo in January 2016.

On the 23 September 2016, The Company raised gross proceeds of £62.6 million through the issue of 62 million New Ordinary Shares at a price of 101.0 pence per New Ordinary Share. The Company used the proceeds to repay the remaining balance on the acquisition facility and finance the acquisition of a number of investment opportunities, including the acquisition of underlying third-party, minority interests in the portfolio of companies held jointly with Akuo and the acquisition of Freasdail wind farm, both completed in November 2016.

The Company made five investments over the year for a total consideration of £77.7 million funded by new equity share capital, use of the revolving acquisition facility and reinvestment of the Company's own surplus cash generated in the year.

Shares Issued to the Managers

The Managers are paid 20% of their annual management and advisory fees in shares. In relation to this, 736,190 shares were issued in March 2016 (478,523 to the Investment Manager and 257,667 to the Operations Manager) relating to fees for the second six months of 2015. A further 781,125 shares were issued in September 2016 (507,731 to the Investment Manager and 273,394 to the Operations Manager) relating to fees for the first 6 months of 2016. Shares in lieu of fees relating to the second six months of 2016 (expected to be 787,847 shares in total – comprised of 512,101 to the Investment Manager and 275,746 to the Operations Manager) are to be issued in March 2017. (See note 18 to the financial statements for further detail).

For the calculation of Net Asset Value ("NAV") per share as at 31 December 2016, 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 833,786,260 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 771,406,099.

As a result of the share issues during the year and the expected issuance to the Managers in March 2017, the number of shares in the Company held by the Investment Manager[10] will be 2,337,308 and the number of shares held by the Operations Manager will be 1,184,939 shares.

Scrip Shares

The Directors were granted authority in June 2013 by an ordinary resolution of the Company's then sole shareholder to offer 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, with such authority expiring at the conclusion of the Company's fifth annual general meeting (in 2018).

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

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

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 2016. A scrip alternative will again be offered to shareholders for the dividend to be paid on 31 March 2017 relating to the final quarter of 2016 and a scrip dividend circular will be published separately in March 2017 with details of this scrip dividend alternative for 2017. 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 11.3%.

Guernsey Regulatory Environment

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

Listing Rules

The Company confirms it has complied with the applicable Listing Rules and has no disclosures to make under Listing Rule 9.8.4R.

Directors

The Directors who held office during the period to 31 December 2016 were:

Helen Mahy CBE
Jon Bridel
Shelagh Mason
Klaus Hammer

Biographical details of each of the Directors are shown in Section 3 above.

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.

InfraRed is an independent investment business, managing a range of infrastructure and real estate funds and investments with total equity under management of more than US$9 billion. InfraRed has more than 120 employees and partners, based mainly in offices in London and with smaller offices in Hong Kong, New York, Seoul and Sydney.

To date, InfraRed has launched 15 funds including two companies listed on the London Stock Exchange: HICL Infrastructure Company Limited and The Renewables Infrastructure Group Limited. Six of these funds have been realised.

The infrastructure investment team within the InfraRed Group currently consists of over 60 investment professionals, all of whom have an infrastructure investment background and a broad range of relevant skills, including private equity, structured finance, construction, renewable energy and facilities management. The InfraRed Group has a long and successful proven track record in sourcing, structuring, acquiring, managing and financing infrastructure equity investments of over 16 years.

InfraRed started in 1990 as part of Charterhouse Bank, investing in real estate and expanded in 1997 to encompass infrastructure. In 2000, it was acquired by HSBC and evolved into the HSBC Group’s global real estate and infrastructure investment platform. In 2011 the business was rebranded as InfraRed after completing a successful management buy-out from HSBC.

The business is now owned by its management team. Since the spin-out, InfraRed has thrived as an independent business and significantly grown its equity under management and its investor base.

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.

RES is the world's largest independent renewable energy company, with extensive experience in developing, financing, constructing and operating renewable energy infrastructure projects globally across a wide range of low carbon technologies including onshore and offshore wind, solar PV and energy storage. RES has been at the forefront of renewable energy development for 35 years. Since it was established in 1982, RES has developed and/or constructed more than 250 wind and solar farms, energy storage projects and transmission lines around the world with a combined capacity of over 12,000MW. RES' global headcount totals over 1,200 staff across four continents with its head office in the UK and operations in 12 countries. RES is part of the Sir Robert McAlpine group of companies, a family-owned British firm with over 145 years of construction and engineering experience.

The Management Engagement Committee met in November 2016 to consider the performance of, and services provided by, RES. This took the form of a written paper in which the Operations Manager explained its activities in the period and summarised its performance. The Committee discussed the paper with the Operations Manager. After careful consideration of RES's performance, primarily in terms of its performance during and since the IPO in providing operations management services, supporting new investments and communicating effectively with stakeholders, the Committee recommended to the Board that it would be in the best interests of the Company that RES continue on the agreed contractual terms.

Broker, Administrator and Company Secretary

The Company's joint brokers during the year to 31 December 2016 were Canaccord Genuity Limited and Liberum Capital Limited.

In July 2016, in agreement with the Company, the Company Secretary and Administrator role (and key staff) passed from Dexion Capital (Guernsey) Limited to Aztec Financial Services (Guernsey) Limited and the existing Administration Agreement was novated to Aztec Financial Services (Guernsey) Limited.

Substantial interests in share capital

As at 21 February 2017, the Company has received notification in accordance with the Financial Conduct Authority's Disclosure Guidance 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
Prudential plc group of companies	83,230,178	9.99%
Third National Swedish Pension Fund	82,742,107	9.93%
Newton Investment Management Ltd	37,517,941	7.26%

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.

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. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Operational and Financial Review section of the Strategic Report. 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 £15m as part of its revolving acquisition facility (currently sized at £150m 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 2021. 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 achieved energy yield, 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 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 2021 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 (being wind farms and solar parks) 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 three jurisdictions (UK, Ireland 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 2021.

Internal Controls Review

Taking into account the information on principal risks and uncertainties provided in 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 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 and 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 4 May 2016 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 (4 May 2016) 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

20 February 2017

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

Section 6

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, 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

Disclosure under Principle 5 of the AIC Code

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 currently provide that at least one third of the Directors retire by rotation at each annual general meeting. If their number is not three or a multiple of three, the number nearest to, but not exceeding, one third, shall retire from office. In accordance with Principle 3 of the AIC Code, all 4 Directors intend to retire and offer themselves for re-election at the forthcoming Annual General Meeting on 3 May 2017.

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, although as the Company grows, the Board may consider whether additional directors may be suitable. 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 in Section 3 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 2016 is set out below:

	Quarterly Board meetings	***Audit Committee***	***Management Engagement Committee***	***Remuneration Committee***	***Nomination Committee***
Number of meetings	*4*	*4*	*3*	*1*	*3*
Meetings attended:					
H Mahy	*4*	*4*	*3*	*1*	*3*
J Bridel	*4*	*4*	*3*	*1*	*3*
S Mason	*4*	*4*	*3*	*1*	*3*
K Hammer	*4*	*4*	*3*	*1*	*3*

During the period a further twenty-two *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 has a breadth of experience relevant to the Company and the Directors believe that any changes to the Board's composition can be managed without undue disruption.

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 ongoing basis.

During 2016 Optimus Group Limited, an independent consultant, was engaged by the Company to conduct a formal evaluation of the effectiveness of the Board. The report concluded that the Board, as a whole, and its Committees are well informed and give strong challenge to the Investment Manager and the Operations Manager and do so in an environment of collegiality and mutual trust. The Board were considered to be well prepared for meetings and effective and professional in their decision making and boardroom behaviour with the appropriate skills and experience. Optimus concluded that the board worked well with the Managers and Company Secretary and other service providers and demonstrated a high standard of Corporate Governance.

A number of useful recommendations of a minor administrative nature were made by Optimus that the Company has taken on board. Optimus considered the interaction of Board members and were generally very positive but provided useful observations about how these interactions could be further enhanced, which have been acted upon.

The Board also asked Optimus to review the procedures of the Company (a self-managed Alternative Investment Fund) in respect of AIFMD compliance which was confirmed.

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. The Board receive regular feedback from investors and sector analysts and continue to 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 2016 and since the launch of the Company in 2013. The Board has employed the use of a skills matrix to identify if there are any missing competences and confirmed that the existing Directors held the appropriate range of skills. The skills matrix tool will inform the Directors in the recruitment of any additional or replacement Directors to the Company. The Board considers its composition to be appropriate and hence no such recruitment is considered necessary at this time.

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 on 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 and the Management Engagement Committee. Terms of reference for each Committee have been approved by the Board.

The Chairman and members of each committee as at 31 December 2016 are as follows:

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

Nomination Committee

The main terms of reference of the Committee are to:

- 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 three times during 2016. The Board is currently composed of 50% male and 50% female directors.

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 three times in 2016 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. In July 2016 in agreement with the Company, the Company Secretary and Administrator role (and key staff) passed from Dexion Capital (Guernsey Limited) to Aztec Financial Services (Guernsey) Limited. The Managers were duly considered at the meeting of the Management Engagement Committee in November 2016 and no material issues were identified in connection with their respective appointments.

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.

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 Joint Brokers.

The Company reports formally to shareholders twice a year and will hold an Annual General Meeting in Guernsey on 3 May 2017, 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 at the back of the report and accounts.

Section 7
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 reviewed the level of cost of living increases typically being applied by similar investment companies to Directors Remuneration. The Board commissioned an independent remuneration consultant, Trust Associates, to conduct a formal review of Directors' remuneration in 2015 and the Board implemented the recommendations of that review having obtained shareholder approval at the AGM held on 4 May 2016. Part of the advice from the independent remuneration consultant's work from 2015 was that between formal independent reviews, inflation based increases should be applied.

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.

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 once during 2016 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 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 2016 as well as that proposed for the year ending 31 December 2017.

Director	Role	Base remuneration proposed for 2017	Base remuneration paid 2016	Additional fees for fund raising in 2016	Total Directors' remuneration in 2016
Helen Mahy	Chairman	£61,500	£60,000	£10,000	£70,000
Jon Bridel	Audit Committee Chairman	£49,200	£48,000	£10,000	£58,000
Klaus Hammer	Director	£41,000	£40,000	£10,000	£50,000
Shelagh Mason	Director	£41,000	£40,000	£10,000	£50,000
Total		£192,700	£188,000	£40,000	£228,000

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. Additional fees payable to the Directors in 2016 relate to the

Share Issuance Programme launched in April 2016 that permits the Company to raise up to an additional 300 million new shares over the period of 12 months from the issue of the prospectus.

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 2016 was £7,278.

The Board will seek approval at the AGM in May 2017 for the Remuneration Policy and the annual Directors' fees for routine business for 2016 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 2017.

Directors' Interests

The Directors of the Company as at 31 December 2016, and their interests in the Ordinary Shares of the Company, are shown in the table below.

	31 December 2016 *Ordinary Shares*	**31 December 2015** *Ordinary Shares*
Helen Mahy[1]	67,249	62,261
Jon Bridel[1]	22,260	20,610
Klaus Hammer	24,838	24,838
Shelagh Mason[1]	60,650	56,152

[1] Jointly held with 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 4 May 2016, 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 2016:

	Shares voted	*Percentage*
In Favour	434,073,955	99.95
Discretionary	159,448	0.04
Against	54,071	0.01

Share Price Performance

In setting the Directors' remuneration, consideration is given to the size and performance of the Company. In 2016, the Total Shareholder Return (on a share price basis) for the Company was 15.7% (2015: 4.4%) versus 16.8% for the FTSE-All Share Index (2015: 1.0%). Over the period from the IPO in July 2013 to 31 December 2016 the Total Shareholder Return for the Company was 8.6% p.a. versus 6.9% p.a. for the FTSE-All Share Index.

Section 8
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 2016 (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.

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) as at 31 December 2016 was £818.7m. 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 2016 prior to the year-end valuation process and again in February 2017 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.

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. Market participants expect electricity prices to increase in real terms (i.e. ahead of inflation) over the medium and long term. 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 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.

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 both at December 2015 and at December 2016) 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 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.

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 £287,533for the period ended 31 December 2016 of which £91,490 related to audit and audit related services to the Company and its subsidiaries, TRIG UK and TRIG UK Investments, and £196,043 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 (£26,000).

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 fourth year of Deloitte's appointment as the Company's auditor. The Audit Partner for the Company is David Becker and he has been in place for three years.

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 ended 31 December 2017.

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 350 Index on 18 December 2015 and up to 31 December 2016. Deloitte were appointed as external auditor in 2013 following a competitive process and our Audit Committee terms of reference are in line with the Order.

The Committee intends to conduct a full review of Deloitte following the issue of these financial statements as it did in 2016 to ensure that the Committee considers all aspects of the auditor's service and performance. The outcome of the review in May 2016 was positive and led to no material concerns over the performance of the auditor.

Having satisfied itself that the external auditor remain independent and effective, the Audit Committee has recommended to the Board that Deloitte LLP be reappointed as auditor for the period ending 31 December 2017.

Financial Statements

Income statement

For the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000's	Year ended 31 December 2015 £'000's
Total operating income	6	76,026	15,917
Fund expenses	7	(995)	(964)
Operating profit for the year		75,031	14,953
Net finance cost	8	(7,128)	2,061
Profit before tax		67,903	17,014
Income tax credit/(expense)	9	-	-
Profit for the period	10	67,903	17,014
Attributable to:			
Equity holders of the parent		67,903	17,014
		67,903	17,014
Earnings per share (pence)	10	8.8	3.0

All results are derived from continuing operations.

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

Balance sheet

As at 31 December 2016

	Note	As at 31 December 2016 £'000's	As at 31 December 2015 £'000's
Non-current assets			
Investments at fair value through profit or loss	13	817,761	711,604
Total non-current assets		817,761	711,604
Current assets			
Other receivables	14	815	736
Cash and cash equivalents	15	18,537	14,873
Total current assets		19,352	15,609
Total assets		837,113	727,213
Current liabilities			
Other payables	16	(2,847)	(621)
Total current liabilities		(2,847)	(621)
Total liabilities		(2,847)	(621)
Net assets	12	834,266	726,592
Equity			
Share premium	17	827,650	728,227
Other reserves	17	776	706
Retained reserves	17	5,840	(2,341)
Total equity attributable to owners of the parent	12	834,266	726,592
Net assets per Ordinary Share (pence)	12	100.1	99.0

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 20 February 2017, and signed on its behalf by:

Jon Bridel
Director

Helen Mahy CBE
Director

Statement of changes in shareholders' equity

For the year ended 31 December 2016

	Share premium £'000's	Other reserves £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of period	728,227	706	(2,341)	726,592
Profit for the year	-	-	67,903	67,903
Dividends paid	-	-	(52,987)	(52,987)
Scrip shares issued in lieu of dividend	6,735	-	(6,735)	-
Ordinary Shares issued	92,920	-	-	92,920
Costs of Ordinary Shares issued	(1,684)	-	-	(1,684)
Ordinary Shares issued in period in lieu of Management Fees, earned in H2 2015[1]	706	(706)	-	-
Ordinary Shares issued in period in lieu of Management Fees, earned in H1 2016[2]	746	-	-	746
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2016[3]	-	776	-	776
Shareholders' equity at end of period	827,650	776	5,840	834,266

For the year ended 31 December 2015

	Share premium £'000's	Other reserves £'000's	Retained reserves £'000's	Total equity £'000's
Shareholders' equity at beginning of period	411,768	428	13,485	425,681
Profit for the year	-	-	17,014	17,014
Dividends paid	-	-	(28,337)	(28,337)
Scrip shares issued in lieu of dividend	4,503	-	(4,503)	-
Ordinary Shares issued	315,673	-	-	315,673
Costs of Ordinary Shares issued	(4,626)	-	-	(4,626)
Ordinary Shares issued in period in lieu of Management Fees, earned in 2014[4]	428	(428)	-	-
Ordinary Shares issued in period in lieu of Management Fees, earned in H1 2015[5]	481	-	-	481
Ordinary Shares to be issued in lieu of Management Fees, earned in H2 2015[1]	-	706	-	706
Shareholders' equity at end of period	728,227	706	(2,341)	726,592

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.

1. The £705,933 transfer between reserves represents the 736,190 shares that relate to management fees earned in the six months to 31 December 2015 and were recognised in other reserves at 31 December 2015, and were issued to the Managers during the year, with the balance being transferred to share premium reserves, on 31 March 2016.

2. The £745,506 addition to the share premium reserve represents the 781,125 shares that relate to management fees earned in the six months to 30 June 2016 and were issued to the Managers on 30 September 2016.

3. As at 31 December 2016, 787,847 shares equating to £776,325, based on a Net Asset Value ex dividend of 98.54 pence per share (the Net Asset Value at 31 December 2016 of 100.1 pence per share less the interim dividend of 1.5625 pence per share) were due but had not been issued. The Company intends to issue these shares to the Managers around 31 March 2016.

4. The £428,054 transfer between reserves represents the 431,070 shares that relate to management fees earned in the six months to 31 December 2014 and were recognised in other reserves at 31 December 2014, and were issued to the Managers during the year, with the balance being transferred to share premium reserves, on 31 March 2015.

5. The £480,556 addition to the share premium reserve represents the 483,455 shares that relate to management fees earned in the six months to 30 June 2015 and were issued to the Managers on 31 September 2015.

Cash flow statement
For the year ended 31 December 2016

	Note	Year ended 31 December 2016 £'000's	Year ended 31 December 2015 £'000's
Cash flows from operating activities			
Profit before tax	10	67,903	17,014
Adjustments for:			
(Gain)/loss on investments	6, 13	(38,675)	12,120
Investment income	6, 13	(37,351)	(28,037)
Movement in other reserves relating to Manager shares		70	278
Accrued share issue costs		62	275
Exchange gains/ (losses) on FX hedges		(4,875)	3,176
Finance and other income	8	7,128	(2,061)
Operating cash flow before changes in working capital		(5,738)	2,765
Changes in working capital:			
Decrease/ (increase) in receivables		(78)	(280)
(Decrease)/increase in payables		(64)	(214)
Cash flow from operations		(5,880)	2,271
Interest and principal received from investments	13	47,395	24,037
Interest income		36	73
Net cash from operating activities		41,551	26,381
Cash flows from investing activities			
Purchases of investments	13	(77,526)	(307,275)
Net cash used in investing activities		(77,526)	(307,275)
Cash flows from financing activities			
Proceeds from issue of share capital during period		94,372	316,582
Costs in relation to issue of shares		(1,746)	(4,903)

Dividends paid to shareholders	11	(52,987)	(28,337)
Net cash from financing activities		39,639	283,342
Net increase in cash and cash equivalents		3,664	2,448
Cash and cash equivalents at beginning of period	15	14,873	12,425
Exchange gains on cash		-	-
Cash and cash equivalents at end of period	15	18,537	14,873

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

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 publically 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 operational renewable energy generation projects, predominantly in onshore wind and solar PV segments, across the UK and Northern Europe. The Company, TRIG UK and its portfolio of investments are known as the "Group".

These financial statements are for the year ended 31 December 2016 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 20 February 2017.

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 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Note 3 shows critical accounting judgements, estimates and assumptions.

New and revised accounting standards have been published and will be mandatory for the Company's accounting periods beginning on or after 1 January 2017 or later periods. However the impact of these standards is not expected to be material to the reported results and financial position of the Company.

(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 57. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Results on pages 75 to 78. 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 31 to 35 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 an investment entity, 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 IAS 39 'Financial instruments: Recognition and measurement'.

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 loanstock 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 loanstock 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.

(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 subsidiary, TRIG UK. 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 income, profits 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 on-going 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 that 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.

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 period are outlined below.

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 2016 valuation was 8.4% (2015: 9.0%). 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.

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

By virtue of the Company's status as an investment fund, and in conjunction 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 loanstock and ordinary equity of project finance 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 loanstock 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 loanstock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future periods. 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 2016 comprised 15% (2015: 8%) of the portfolio by value. The sensitivity of the portfolio valuation is shown in Note 4.

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.

The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and period end positions are reported to the Board on a quarterly basis. The Group's largest credit risk exposure to a project at 31 December 2016 was to the Crystal Rig II project, representing 11% (2015: Crystal Rig II project, representing 12%) of the portfolio by value, and the largest subcontractor counterparty risk exposure was to Siemens who provided turbine maintenance services in respect of 45% (2015: Siemens 49%) of the portfolio by 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 2016 was EDF who provided PPAs to projects in respect of 25% (2015: EDF 19%) of the portfolio by value.

At 31 December 2016, 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 2016, the Company itself did not have any outstanding debt. The Group's revolving acquisition facility, which was undrawn at 31 December 2016, is held by TRIG UK and TRIG UK I, is guaranteed by the Company. The facility is in place until September 2019.

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 was undrawn at 31 December 2016 (2015: £0m).

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.

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 2016	**31 December 2015**
	£'000s	£'000s
Financial assets		
Designated at fair value through profit or loss:		
Investments	817,761	711,604
Other financial assets	-	-
Financial assets at fair value	817,761	711,604
At amortised cost:		
Other receivables	815	736
Cash and cash equivalents	18,537	14,873
Financial assets at amortised cost	19,352	15,609
Financial liabilities		
Designated at fair value through profit or loss:		
Other financial liabilities	2,633	344
Financial liabilities at fair value	2,633	344
At amortised cost:		
Other payables	214	277
Financial liabilities at amortised cost	214	277

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 2016			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	-	-	817,761	817,761
Other financial assets	-	-	-	-
	-	-	817,761	817,761
Other financial liabilities	-	2,633	-	2,633
	-	2,633	-	2,633

	As at 31 December 2015			
	Level 1 £'000's	Level 2 £'000's	Level 3 £'000's	Total £'000's
Investments at fair value through profit or loss	-	-	711,604	711,604
Other financial assets	-	-	-	-
	-	-	711,604	711,604
Other financial liabilities	-	344	-	344
	-	344	-	344

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 2016	**31 December 2015**
	£'000's	£'000's
Portfolio value	818,672	712,284
TRIG UK and TRIG UK I		
Cash	188	347
Working capital	(2,343)	(2,762)
Debt[1]	1,244	1,735
	(911)	(680)
Investments at fair value through profit or loss	817,761	711,604

1 Debt arrangement costs of £1,244k (2015: £1,735k) have been netted off the £Nil (2015: £Nil) debt drawn by TRIG UK.

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 2016 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 2016	31 December 2015
UK inflation rates	2.75%	2.75%
Ireland and France inflation rates	2.00%	2.00%
UK, Ireland and France deposit interest rates	1.00% to 31 March 2021, 2.00% thereafter	1.00% to 31 March 2019, 2.50% thereafter
UK corporation tax rate	20.00%, reducing to 19% from 1 April 2017 and then to 17% from 1 April 2020	20.00%, reducing to 19% from 1 April 2017 and then to 18% from 1 April 2020
France corporation tax rate	33.3% + 1.1% above €763,000 threshold	33.3% + 1.1% above €763,000 threshold
Ireland corporation tax rate	12.5% active rate, 25% passive rate	12.5% active rate, 25% passive rate
Euro/sterling exchange rate	1.1709	1.3569
Energy yield assumptions	P50 case	P50 case

Discount rates

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

The weighted average portfolio valuation discount rate used for valuing the projects in the portfolio is 8.4% (2015: 9.0%) and a change by plus or minus 0.5% has the following effect:

Discount rate	-0.5% change	Total Portfolio Value	+0.5% change
Directors' valuation - Dec 2016	**+£32.0m**	**£818.7**	**(£30.1m)**
Directors' valuation - Dec 2015	+£28.5m	£712.3m	(£27.0m)

Power Price

The power price forecasts are based on the base case assumptions from the valuation date and throughout the operating life of the portfolio. The base case power pricing is based on the current forecast real price reference curve data provided by a leading power price forecaster, adjusted to reflect the value the market will place on such generation in an arm's length transaction.

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

Power Price	**-10% change**	**Total Portfolio Value**	**+10% change**
Directors' valuation - Dec 2016	**(£63.6m)**	**£818.7**	**+£64.3m**
Directors' valuation - Dec 2015	(£56.0m)	£712.3m	+£55.8m

Energy Yield

The portfolio's aggregate production outcome for a 10 year period would be expected to fall somewhere between a P90 10 year exceedance (downside case) and a P10 10 year exceedance (upside case), refer to Section 2.7 of the Strategic Report on page 39.

The effect of a P90 10 year exceedance and of a P10 10 year exceedance, applied to all future years, would have the following effect:

Energy Yield	**P90 10 year exceedance**	**Total Portfolio Value**	**P10 10 year exceedance**
Directors' valuation - Dec 2016	**(£80.4m)**	**£818.7**	**+£77.8m**
Directors' valuation - Dec 2015	(£78.5m)	£712.3m	+£77.0m

Inflation rates

The portfolio valuation assumes long-term inflation of 2.75% per annum for UK investments, and 2.00% per annum for France and Republic of Ireland investments.

Inflation assumption	**-0.5% change**	**Total Portfolio Value**	**+0.5% change**
Directors' valuation - Dec 2016	**(39.8m)**	**£818.7**	**+£45.0m**
Directors' valuation - Dec 2015	(£35.0m)	£712.3m	+£39.2m

Operating costs

The table below shows the sensitivity of the portfolio to changes in operating costs by plus or minus 10% at project company level.

Operating costs	**-10% change**	**Total Portfolio Value**	**+10% change**
Directors' valuation - Dec 2016	**+£27.9m**	**£818.7**	**(£27.9m)**
Directors' valuation - Dec 2015	+£23.0m	£712.3m	(£23.2m)

Taxation rates

The table below shows the sensitivity of the portfolio to changes in taxation rates by plus or minus 2% at project company level for companies in the UK, Northern Ireland and Ireland.

Taxation rates	**-2% change**	**Total Portfolio Value**	**+2% change**
Directors' valuation - Dec 2016	**+£14.0m**	**£818.7**	**(£14.0m)**

Interest rates

The table below shows the sensitivity of the portfolio to changes in interest rates by plus 2% or minus 1% at project company level.

Interest rates	-1% change	Total Portfolio Value	+2% change
Directors' valuation - Dec 2016	**+£1.9m**	**£818.7**	**(£3.8m)**

Currency rates

The spot rate used for the 31 December 2016 valuation, from euro to sterling, was 1.1709 (2015: 1.3569).

A change to this currency rate by plus or minus 10% has the following effect:

Currency rates	-10% change	Total Portfolio Value	+10% change
Directors' valuation - Dec 2016	**(£5.3m)**	**£818.7**	**+£5.3m**
Directors' valuation - Dec 2015	(£2.6m)	£712.3m	+£2.6m

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 2016	**For year ended 31 December 2015**
	Total £'000s	**Total** £'000s
Interest income	37,351	28,037
Gain/ (loss) on investments	38,675	(12,120)
	76,026	15,917

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 £88,235k (2015: £27,284k). The reconciliation from the IFRS basis to the expanded basis is shown in Section 2.6 of the Strategic Report on page 32.

7. Fund expenses

	For year ended 31 December 2016	**For year ended 31 December 2015**
	Total £'000s	**Total** £'000s

Fees payable to the Company's auditors for the audit of the Group accounts	57	52
Investment and management fees (Note 18)	200	200
Directors' fees (Note 18)	188	167
Other costs	550	545
	995	964

Included within Other costs, £26k (2015: £28k) was paid to Deloitte LLP in respect of the interim review of the Group accounts.

In addition to the above, £205k (2015: £189k) 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 £8,923k (2015: £7,196k); 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 2.6 of the Strategic Report on page 32.

The Company had no employees during the current or prior period. 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 2016 **Total** £'000s	**For year ended 31 December 2015** **Total** £'000s
Interest income:		
Interest on bank deposits	36	73
Total finance income	36	73
(Loss)/ gain on foreign exchange:		
Realised (loss)/ gain on settlement of FX forwards	(4,993)	3,097
Fair value loss of FX forward contracts	(2,289)	(1,188)
Other foreign exchange gain	118	79
Total gain/ (loss) on foreign exchange	(7,164)	1,988
Finance and other income/ (expense)	(7,128)	2,061

On the Expanded basis, finance income is £47k (2015: £91k) and finance costs are £3,895k (2015: £3,994k); the difference being the Group's acquisition facility costs which are incurred within TRIG UK, the Company's subsidiary. These costs are shown in Section 2.6 of the Strategic Report on page 32.

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 period.

	31 December 2016 ’000’s	**31 December 2015** ’000’s
Profit attributable to equity holders of the Company	£67,903	£17,014
Weighted average number of Ordinary Shares in issue	771,406	565,195
Earnings per Ordinary Share	8.8p	3.0p

Further details of shares issued in the period are set out in Note 17.

11. Dividends

	31 December 2016 £’000s	**31 December 2015** £’000s
Amounts recognised as distributions to equity holders during the year:		
Interim dividend for the 6 month period ended 31 December 2014 of 3.08p (2013: 2.5p) per share		12,797
Interim dividend for the 6 month period ended 30 June 2015 of 3.08p (2014: 3.0p) per share		20,043
Interim dividend for the 6 month period ended 31 December 2015 of 3.11p	22,791	
Interim dividend for the 3 month period ended 31 March 2016 of 1.5625p	11,974	
Interim dividend for the 3 month period ended 30 June 2016 of 1.5625p	11,975	
Interim dividend for the 3 month period ended 30 September 2016 of 1.5625p	12,982	
	59,722	32,840
Dividends settled as a scrip dividend alternative	6,735	4,503
Dividends settled in cash	52,987	28,337
	59,722	32,840

On 8 February 2017, the Company declared an interim dividend of 1.5625 pence per share for the period 1 October 2016 to 31 December 2016. The total dividend, £13,015,600, payable on 31 March 2017, is based on a record date of 16 February 2017 and the number of shares in issue at that time being 832,998,413.

	31 December 2016	**31 December 2015**

Interim dividend for the period ended June 2015		3.08p
Interim dividend for the period ended December 2015		3.11p
Interim dividend for the period ended March 2016	3.11	
Interim dividend for the period ended June 2016	1.5625	
Interim dividend for the period ended September 2016	1.5625	
Interim dividend for the period ended December 2016	1.5625	
	7.7975p	6.19p

12. Net assets per Ordinary Share

	31 December 2016 '000's	**31 December 2015** '000's
Shareholders' equity at balance sheet date	£834,266	£726,592
Number of shares at balance sheet date, including management shares accrued but not yet issued	833,786	733,574
Net Assets per Ordinary Share at balance sheet date	**100.1p**	**99.0p**

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 2016, 787,847 shares equating to £776,325, based on a Net Asset Value ex dividend of 98.54 pence per share (the Net Asset Value at 31 December 2016 of 100.1 pence per share less the interim dividend of 1.5625 pence per share) were due but had not been issued. The Company intends to issue these shares around 31 March 2017.

In view of this, the denominator in the above Net assets per Ordinary Share calculation is as follows;

	31 December 2016 '000's	**31 December 2015** '000's
Ordinary Shares in issue at balance sheet date	832,998	732,838
Number of shares to be issued in lieu of Management fees	788	736
Total number of shares used in Net Assets per Ordinary Share calculation	**833,786**	**733,574**

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 2016	**31 December 2015**
	£'000s	£'000s

Brought forward	711,604	412,449
Investments in the year	77,526	307,275
Distributions received	(47,395)	(24,037)
Interest income	37,351	28,037
Gain/ (loss) on valuation	38,675	(12,120)
Carried forward	817,761	711,604

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, the Company's subsidiary that was previously consolidated.

	31 December 2016	**31 December 2015**
	£'000s	£'000s
Fair value of investment portfolio		
Brought forward value of investment portfolio	712,284	472,870
Investments in the year	77,667	254,485
Distributions received	(59,467)	(42,355)
Interest income	24,435	20,772
Dividend income	1,959	5,341
Gain on valuation	61,794	1,171
Carried forward value of investment portfolio	818,672	712,284
Fair value of TRIG UK		
Brought forward value of TRIG UK	(680)	(60,421)
Cash movement	(159)	(106)
Working capital movement	419	(722)
Debt movement[1]	(491)	60,569
Carried forward value of TRIG UK	(911)	(680)
Total investments at fair value through profit or loss	817,761	711,604

1 Debt arrangement costs of £1,244k (2015: £1,735k) have been netted off the £Nil (2015: nil) debt drawn by TRIG UK

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.

Details of investments recognised at fair value through profit or loss were as follows:

		31 December 2016		**31 December 2015**	
Investments (project name)	**Country**	**Equity**	**Subordinated loanstock**	**Equity**	**Subordinated loanstock**
TRIG UK	UK	100%	100%	100%	100%
TRIG UK I	UK	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%	84%	49%	87%
Mid Hill	UK	49%	84%	49%	87%
Paul's Hill	UK	49%	84%	49%	87%
Rothes 1	UK	49%	84%	49%	87%
Crystal Rig 1	UK	49%	84%	49%	87%
Crystal Rig 2	UK	49%	84%	49%	87%
Broussan	France	48.9%	100%	-	-
Plateau	France	48.9%	100%	-	-
Borgo	France	48.9%	100%	-	-
Olmo 2	France	48.9%	100%	-	-
Chateau	France	48.9%	100%	-	-
Pascialone	France	48.9%	100%	-	-
Santa Lucia	France	48.9%	100%	-	-
Agrinergie 1&3	France	48.9%	100%	-	-
Agrinergie 5	France	48.9%	100%	-	-
Agrisol	France	48.9%	100%	-	-
Chemin Canal	France	48.9%	100%	-	-
Ligne des 400	France	48.9%	100%	-	-
Logistisud	France	48.9%	100%	-	-
Marie Galante	France	24.9%	100%	-	-
Ste Marguerite	France	48.9%	100%	-	-
Freasdail	UK	100%	100%	-	-
FVP du Midi	France	51.0%	100%	-	-

On 28 January 2016, TRIG acquired, from Akuo, a 100% shareholder loan interest and a 49% equity interest in a holding company that, alongside some minority shareholders, owns investments in 15 French solar parks (Broussan Solar, Chateau Solar, Plateau Solar, Borgo Solar, Olmo 2 Solar,

Pascialone Solar, Santa Lucia Solar, Agrinergie 1&£ Solar, Agrinergie 5 Solar, Agrisol Solar, Chemin Canal Solar, Ligne des 400 Solar, Logistisud Solar, Marie Galante Solar and Ste Marguerite Solar) for a consideration of €57.2 million (£43.7 million).

On 8 July 2016, TRIG purchased a 51% equity interest and 100% shareholder loan interest in Midi, from investment funds managed by 123Venture, a solar photovoltaic plant in the South of France for consideration of €10.6 million (£9.0 million).

On 9 November 2016, TRIG acquired from RES (the Operations Manager) a 100% interest in the Freasdail wind farm for a consideration of £18.5 million.

On 20 November 2016, TRIG subscribed a further €5.9 million (£5.0 million) to the Akuo Tulip Assets SAS (the Holding Company of the portfolio of French Solar investments jointly held with Akuo) which enabled Akuo Tulip Assets to buy out minority interests in underlying investments, thus increasing TRIG's effective interest in those projects.

Further detail of acquisitions made in the year can be found in Section 2.6 of the Strategic Report.

14. Other receivables

	31 December 2016	31 December 2015
	£'000's	£'000's
Other debtors	815	736
	815	736

15. Cash and cash equivalents

	31 December 2016	31 December 2015
	£'000's	£'000's
Bank balances	18,537	14,873
Cash and cash equivalents	18,537	14,873

On the Expanded basis, which includes balances carried in TRIG UK and TRIG UK I, cash is £18,724k (2015: £15,220k). 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 consisted of £18,001k held with Sumitomo Mitsui Banking Corporation Europe Limited and £535k held with Royal Bank of Scotland International Limited. At 31 December 2016 Royal Bank of Scotland International Limited had a Fitch credit rating of BBB+ and Sumitomo Mitsui Banking Corporation Europe Limited had an S&P rating of A.

16. Other payables

	31 December 2016	31 December 2015
	£'000's	£'000's
Management fees[1]	50	50
Fair value of forward FX contracts	2,633	344

Other payables	164	227
	2,847	621

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 2016. The total euro balance hedged at 31 December 2016 was €79.5m (2015: €42.9m).

	31 December 2016			
	Average exchange rate	**Foreign currency** €'000's	**Notional value** £'000's	**Fair value** £'000's
Less than 3 months	-	-	-	-
3 to 6 months	1.269	33,850	26,894	(2,202)
6 to 12 months	1.244	7,700	6,190	(470)
Greater than 12 months	1.145	37,900	33,131	39
				(2,633)

As at the year end, the liabilities on foreign exchange derivatives consisted of £1,549k payable to The Royal Bank of Scotland Plc and £1,084k payable to National Australia Bank Limited. At 31 December 2016 The Royal Bank of Scotland 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 2016 '000's	**Ordinary Shares 31 December 2015** '000's
Opening balance	732,838	415,476
Issued for cash	92,000	311,988
Issued as a scrip dividend alternative	6,643	4,459
Issued in lieu of management fees	1,517	915
Issued at 31 December – fully paid	832,998	732,838

The Company had two equity fund raises during the year.

On 19 May 2016, the Company issued 30,000,000 shares raising £30,300k before costs and on 27 September 2016, the Company issued a further 62,000,000 shares raising £62,620k before costs. The Company used the funds to repay the Group's revolving acquisition facility and to form part of the funding for the acquisitions in 2016.

The holders of the 832,998,413 (2015: 732,838,095) 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 2016 £'000s	**31 December 2015** £'000s
Opening balance	728,227	411,768

Ordinary Shares issued	101,107	321,085
Cost of Ordinary Shares issued	(1,684)	(4,626)
Closing balance	827,650	728,227

Other reserves

	31 December 2016 £'000s	**31 December 2015** £'000s
Opening balance	706	428
Shares to be issued in lieu of management fees incurred in H1 2015	-	481
Shares to be issued in lieu of management fees incurred in H2 2015 (Note 18)	-	706
Shares to be issued in lieu of management fees incurred in H1 2016 (Note 18)	746	-
Shares to be issued in lieu of management fees incurred in H2 2016 (Note 18)	776	-
Shares issued in the year, transferred to share premium	(1,452)	(909)
Closing balance	776	706

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 2016 '000's	**31 December 2015** '000's
Short-term receivable from TRIG UK[1]	-	4,000
Short-term balance outstanding from TRIG UK, in relation to Management fees to be settled in shares[2]	776	706
Long-term loan to TRIG UK[1]	485,569	468,937
	486,345	473,643

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 £37,351k (2015: £28,037k) was earned in respect of the long-term interest-bearing loan between the Company and its subsidiary TRIG UK, of which £nil (2015: £4,000k) 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, and 0.8 per cent in respect of the Adjusted Portfolio Value in excess of £1 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 (2015: £130k), of which £33k (2015: £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 (2015: £70k), of which £18k (2015: £18k) remained payable in cash at the balance sheet date.

The Investment Manager management fee charged to TRIG UK for the year was £4,946k (2015: £3,829k), of which £1,023k (2015: £930k) remained payable in cash at the balance sheet date. The Operations Manager management fee charged to TRIG UK for the year was £2,663k (2015: £2,061k), of which £638k (2015: £501k) remained payable in cash at the balance sheet date.

In addition, the Operations Manager received £3,515k (2015: £2,880) for services in relation to Asset Management, Operation and Maintenance and other services provided to project companies within the investment portfolio, and £94k (2015: £95k) 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 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 2015, 736,190 shares equating to £705,933, based on a Net Asset Value ex dividend of 95.89 pence per share (the Net Asset Value at 31 December 2015 of 99.0 pence per share less the interim dividend of 3.11 pence per share) were due, in respect of management fees earned in H2 2015, but had not been issued. The Company issued these shares on 31 March 2016.

On 30 September 2016, the Company issued 781,125 shares, equating to £745,506, based on a Net Asset Value ex dividend of 95.4 pence per share (the Net Asset Value at 30 June 2016 of 97.0 pence per share less the interim dividend of 1.56 pence per share), in respect of management fees earned in H1 2016.

As at 31 December 2016, 787,847 shares equating to £776,325, based on a Net Asset Value ex dividend of 98.5 pence per share (the Net Asset Value at 31 December 2016 of 100.1 pence per share less the interim dividend of 1.56 pence per share) were due, in respect of management fees earned in H2 2016, but had not been issued. The Company intends to issue these shares on 31 March 2017.

In March 2016 a further payment of £1.5 million was made in relation to the Earlseat Wind Farm originally purchased in November 2014, from a fund managed by the Investment Manager, pursuant to an energy yield true-up arrangement following an increased energy yield assessment.

In November 2016 the company purchased Freasdail, an onshore wind project in Scotland from the Operations Manager for consideration of £18.5 million.

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 period were £188,000 (2014: £166,500). Directors' expenses of £7,278 (2015: £5,966) were also paid in the period.

All of the above transactions were undertaken on an arm's length basis.

19. Guarantees and other commitments

As at 31 December 2016, the Company and or its subsidiaries, had provided £18.3m (2015: £18.5m) 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.

20. Contingent consideration

The Group has performance-related contingent consideration obligations of up to £10.2m (2015: £13.9m) relating to acquisitions completed prior to 31 December 2016. These payments depend on the performance of certain wind farms and solar parks and other contracted enhancements. The payments, if triggered, would be due before 2019. 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 23 January 2017 the revolving credit facility was amended to enable TRIG UK I to borrow under the facility as well as TRIG UK, and to extend the expiry date to 30 September 2019 (previously 20 April 2019).

On 9 February 2017, the Company declared an interim dividend of 1.5625 pence per share for the period 1 October 2016 to 31 December 2016. The total dividend, £13,015,600, payable on 31 March 2017, is based on a record date of 16 February 2017 and the number of shares in issue at that time being 832,998,413.

There are no other events after the balance sheet date, which are required to be disclosed.

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	24.9%
SECP Creuilly	France	48.9%
Akuo Tulip Assets SAS	France	48.9%
Verrerie Photovoltaique SAS	France	100.0%
FPV du Midi	France	51.0%

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