

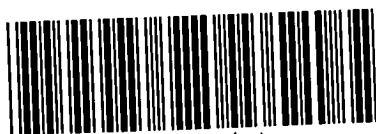
RI UK Solar Holdings Limited

**DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS**

For the financial year ended 31 December 2018

COMPANY NUMBER: 09653134

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RI UK Solar Holdings Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2018

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RI UK Solar Holdings Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2018

COMPANY INFORMATION

Directors

Peter Raftery (British)
Charles Reid (British) (resigned 29 March 2018)
Stephane Tetot (French) (appointed 29 March 2018)

Registered Office

12 Throgmorton Avenue
London EC2N 2DL
United Kingdom

Independent Auditors

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Bank

The Bank of New York Mellon SA/NV
46 Rue Montoyerstraat
B-1000 Brussels
Belgium

Administrator

BNY Mellon Fund Services (Ireland) Designated
Activity Company
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

RI UK Solar Holdings Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2018

DIRECTORS' REPORT

The Board of Directors present their report and the audited financial statements of RI UK Solar Holdings Limited (the "Company") for the financial year ended 31 December 2018.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company, a UK registered company, was incorporated on 23 June 2015. The Company was established as a vehicle to provide investment into renewable power assets in the UK through equity and debt instruments, focusing on acquiring solar power projects.

As at 31 December 2018, the Company had directly or indirectly invested in 3 solar power projects (2017: 3 solar power projects) by way of equity and debt investments which had a combined fair value of £39,166,167 (2017: £39,295,632).

RESULTS AND DIVIDENDS

The results for the financial year are shown on page 9. The Directors do not recommend the payment of a dividend for the financial year ended 31 December 2018.

CHANGES IN DIRECTORS AND REGISTERED OFFICE

There were no changes in Registered Office during the financial year.

On 29 March 2018, Charles Reid resigned from the Board of Directors and Stephane Tetot was appointed to the Board of Directors.

DIRECTORS' INTERESTS IN SHARES

The names of the individuals who are the Directors to the Company at the date of this report are listed on page 2. The Directors had no beneficial interest in the share capital of the Company at the date of appointment, at any stage during the financial year or at the end of the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company relating to the investments held by it are set out in note 12 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

There were no significant changes in the state of affairs during the financial year.

SUBSEQUENT EVENTS

The subsequent events which have occurred since the Statement of Financial Position date are set out in note 16 to the financial statements.

FUTURE DEVELOPMENTS OF THE BUSINESS

The Directors expect the current level of activities to continue for the foreseeable future.

TRANSACTIONS WITH DIRECTORS

There were no fees paid in respect of compensation to the Directors for their services to the Company.

POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the financial year.

EMPLOYEES

The Company has no direct employees. Services are provided by BlackRock Asset Management Ireland Limited, the management company of BlackRock Infrastructure Funds plc (the "Fund"), and BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator"). Due to the nature of the services provided it is not possible to separately ascertain specific employee numbers.

RI UK Solar Holdings Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2018

DIRECTORS' REPORT (continued)

ADEQUATE ACCOUNTING RECORDS


The Directors believe that they have complied with the requirements of Section 386 of the Companies Act, 2006, with regard to the adequate accounting records by engaging the Administrator who employ accounting personnel with the appropriate expertise and by providing adequate resources to the finance function.

The accounting records of the Company are maintained at the Administrator's office at One Dockland Central, Guild Street, IFSC, Dublin 1, Ireland.

INDEPENDENT AUDITORS

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office in accordance with Section 485 of the Companies Act, 2006.

On behalf of the Board of Directors


Peter Raftery
Director

Date: 13 March 2019

RI UK Solar Holdings Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Section 394 of the Companies Act, 2006 and other applicable regulations.

UK company law requires the Directors to prepare financial statements for each financial year. The Directors have prepared the Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (the "EU"). The financial statements are required, per Section 396 of the Companies Act, 2006, to 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 year.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that the financial statements comply with IFRS as adopted by the EU, subject to any material departure disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

Per Section 386 of the Companies Act, 2006, the Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose name and functions are listed in the Company Information section of the Directors' Report and financial statements, confirms that to the best of each person's knowledge and belief:

- The financial statements, prepared in accordance with IFRS as adopted by the EU and in accordance with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- The Directors' report includes a fair review of the development and performance of the business and the position of the Company and a description of the principal risks and uncertainties that they face;
- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have each taken all the steps that ought to have been taken by them as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RI UK SOLAR HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of RI UK Solar Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 17.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report and the Directors' Responsibilities Statement, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RI UK SOLAR HOLDINGS LIMITED

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in [the strategic report or] the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

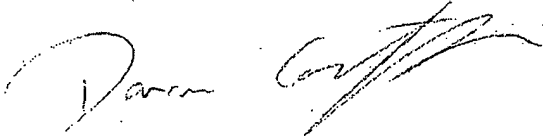
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RI UK SOLAR HOLDINGS LIMITED

Use of our report

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



Darren Griffin
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

13 March 2019

RI UK Solar Holdings Limited
 Directors' Report and Audited Financial Statements
 For the financial year ended 31 December 2018

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2018 £'000	2017 £'000
Dividend income	14	46	3,514
Net loss on foreign currency		(3)	-
Unrealised gain on financial assets at fair value through profit or loss	11	1,136	828
Total Income		1,179	4,342
Expenses			
Interest expense	13	(1,613)	(1,658)
Other expenses	5	6	(30)
Total expenses		(1,607)	(1,688)
Operating (loss)/income before tax		(428)	2,654
Tax on profit	7	-	-
Net (decrease)/increase in shareholder's equity from operating activities		(428)	2,654

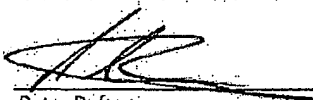
The accompanying notes form an integral part of the financial statements.

RI UK Solar Holdings Limited
 Directors' Report and Audited Financial Statements
 For the financial year ended 31 December 2018

STATEMENT OF FINANCIAL POSITION

	Notes	2018 £'000	2017 £'000
Assets			
Financial assets at fair value through profit or loss	11, 13	39,166	39,296
Cash and cash equivalents		-	1,702
Due from related party	13	66	66
Other receivables		11	11
Total assets		39,243	41,075
Liabilities			
Financial liabilities at fair value through profit or loss	8, 13	(24,893)	-
Loans payable	8, 13	-	(26,118)
Interest payable	13	(240)	(416)
Other accrued expenses and liabilities	6	(79)	(82)
Total liabilities		(25,212)	(26,616)
Net Assets		14,031	14,459
Equity attributable to equity shareholder			
Share capital	10	11,387	11,387
Retained earnings		2,644	3,072
Total equity		14,031	14,459

On behalf of the Board of Directors


 Peter Raftery
 Director

Date: 13 March 2019

The accompanying notes form an integral part of the financial statements.

RI UK Solar Holdings Limited
 Directors' Report and Audited Financial Statements
 For the financial year ended 31 December 2018

STATEMENT OF CHANGES IN EQUITY

	Notes	2018 £'000	2017 £'000
Share capital			
Opening balance		11,387	11,179
Share capital issued		-	208
Closing balance	10	<u>11,387</u>	<u>11,387</u>
Retained earnings			
Opening balance		3,072	418
Net (decrease)/increase in shareholder's equity from operating activities		<u>(428)</u>	<u>2,654</u>
Closing balance		<u>2,644</u>	<u>3,072</u>
Total shareholder's equity at the end of the financial year		<u><u>14,031</u></u>	<u><u>14,459</u></u>

The accompanying notes form an integral part of the financial statements.

RI UK Solar Holdings Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2018

STATEMENT OF CASH FLOWS

	2018	2017
	£'000	£'000
Cash flows from operating activities		
Net (decrease)/increase in shareholder's equity resulting from operating activities	(428)	2,654
Adjustment for:		
- Unrealised gain on financial assets at fair value through profit or loss	(1,136)	(828)
- Dividend income	(46)	(3,514)
- Interest expense	1,613	1,658
Increase in due from related party	-	(66)
(Decrease)/Increase in other accrued expenses and liabilities	(3)	29
Net cash provided by/(used in) operating activities	-	(67)
Cash flows provided by investing activities		
Dividends received	46	3,514
Acquisition of financial assets at fair value through profit or loss	-	(975)
Repayment of financial assets at fair value through profit or loss	1,266	205
Net cash provided by investing activities	1,312	2,744
Cash flows used in financing activities		
Interest paid	(1,789)	(1,483)
Repayment of financial liabilities at fair value through profit or loss	(1,225)	-
Loans drawn down	-	767
Repayments on loans drawn down	-	(767)
Proceeds from the issue of shares	-	208
Net cash used in financing activities	(3,014)	(1,275)
Net (decrease)/Increase in cash and cash equivalents	(1,702)	1,402
Cash and cash equivalents at beginning of the financial year	1,702	300
Cash and cash equivalents at end of the financial year	-	1,702

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

RI UK Solar Holdings Limited (the "Company"), a UK registered company, was incorporated on 23 June 2015. Renewable Income UK, a sub-fund of BlackRock Infrastructure Funds plc (the "Fund") has an interest in BRI UK Finance Designated Activity Company (the "Limited Company") through its investment in the profit participating notes issued by the Limited Company. The Limited Company has in turn subscribed to the equity of RI Income UK Holdings Limited, which has in turn subscribed to the equity of the Company (together the "Holding Companies"). Refer to the basis of preparation in note 2 for further details.

The ultimate parent undertaking and controlling party of the Company is considered to be the Fund. The immediate parent company of the Company is RI Income UK Holdings Limited.

The principal accounting policies and notes are set out below, all of which applied for the financial year ended 31 December 2018. Comparative information is presented for the financial year ended 31 December 2017.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union ("EU") and as applied in accordance with the provisions of the Companies Act, 2006.

(b) Basis of measurement

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Directors are satisfied that they operate in such a way to ensure the Company will continue to be a going concern.

(c) Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense.

(i) Assumptions and estimation uncertainties

Measurement of fair values

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of preparation (continued)

(c) Use of estimates, judgements and assumptions (continued)

(ii) Judgements

Involvement with investment entities

IFRS 10 "Consolidated Financial Statements", requires investment entities to fair value relevant subsidiaries including structured entities through profit or loss rather than consolidate their results.

The Board of Directors have concluded that the Fund, the Limited Company and the Holding Companies, which are related parties of the Company, satisfy the criteria to be regarded as investment entities.

IFRS 10 indicates that companies formed in connection with each other for legal, regulatory, tax or similar requirements can be considered together to determine whether they display the characteristics of an investment entity. The reason and purpose of the multi-layered structure is usually to accomplish one or more of the following:

- 1) Regulatory reasons to invest in certain jurisdictions,
- 2) Risk mitigation reasons and/or
- 3) Investment return enhancement.

The Fund, the Limited Company and the Holding Companies were formed in connection with each other for legal, regulatory, tax or similar requirements. When considered together they display the following typical characteristics of an investment entity:

- 1) The Fund and the Limited Company indirectly hold more than one investment because the Holding Companies hold a portfolio of investments.
- 2) Although the Limited Company, and as a result, indirectly the Holding Companies, are wholly capitalised by the Fund through the purchase of the profit participating note, the Fund itself is funded by many investors who are unrelated to the Fund. The Fund does not own the equity of the Limited Company nor the Holding Companies.
- 3) Ownership in the Fund is represented by units of equity interest.

The Directors are of the opinion that the Fund, the Limited Company and the Holding Companies each meet the definition of an investment entity. The following conditions exist:

- 1) The Fund and the Limited Company have obtained funds for the purpose of providing investors with investment management services.
- 2) The investments held by the Holding Companies are measured and evaluated on a fair value basis and information about those investments are provided to investors on a fair value basis through the Limited Company and/or the Fund.

(d) Transactions in foreign currencies

The presentation currency of the Company's financial statements is Sterling Pounds ("£"). Foreign currency items included in the Company's financial statements are measured in the Company's functional currency which is £. The presentation currency of the Company's financial statements is the same as the functional currency. Transactions in foreign currencies are translated into the functional currency of the Company at the foreign currency exchange rate in effect at the date of the transaction.

Foreign currency assets and liabilities, including investments, are translated at the exchange rate prevailing at financial year end. The foreign exchange gain or loss based on the translation of the investments is included in unrealised gain on financial assets at fair value through profit or loss in the Statement of Comprehensive Income. The foreign exchange gain or loss arising on the translation of other assets and liabilities is included in net gains on foreign currency in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies

(a) Financial Instruments

Classification of Financial Instruments

In the current financial year, the Company has adopted IFRS 9 "Financial Instruments" ("IFRS 9"). See Note 4 for an explanation of the impact. Comparative figures for the year ended 31 December 2017 have not been restated. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

Under IFRS 9, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

In evaluating the classification of its financial assets the Company has determined the following:

- Based on how performance is evaluated, how risks are managed and how compensation is paid;
- the business model for financial assets is to manage on a fair value basis;
- The contractual cash flows of the financial assets are not solely payments of principal and interest.

Based on the above evaluation, the Company's investments are classified as being measured at FVTPL. All other financial assets are classified as being measured at amortised cost.

Recognition/derecognition of financial instruments

Purchases and sales of investments are accounted for on the day the trade transaction takes place. Investments are derecognised when the rights to receive cash flows from the investments have expired or the risks and rewards of ownership have all been substantially transferred. Realised gains and losses on disposals are calculated using the first-in first-out cost method and are reflected as net realised gain/(loss) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income.

Initial and subsequent measurement of financial instruments

Financial assets at fair value through profit or loss are initially recognised and subsequently measured at fair value. Gains and losses arising from changes in the fair value of the financial assets are presented in the Statement of Comprehensive Income, in the year in which they arise.

Financial liabilities at fair value through profit or loss – Loans payable

Loans payable issued by the Company is designated as financial liabilities at fair value through profit or loss based on the principles of IFRS 9. Loans payable are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. They principally comprise loans from the Limited Company which finance the Company's investments.

(b) Cash and cash equivalents

Cash and cash equivalents may include cash in hand, demand deposits, time deposits and other short-term highly liquid investments with original maturities of three months or less.

(c) Taxation

Corporation tax

Current tax, including UK corporation tax and foreign tax, is provided on the Company's taxable profits, at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the financial year end date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

(c) Taxation (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the end of the year. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in years different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(c) Interest expense

Interest expense is accrued on an effective interest basis and is recognised in the Statement of Comprehensive Income as interest expense.

(d) Dividend income

Dividend income is recorded in the Statement of Comprehensive Income on an accruals basis respectively, gross of withholding tax, if applicable.

(e) Expenses

Expenses are accounted for on an accruals basis.

4. New standards, amendments and Interpretations

New significant standards and amendments effective 1 January 2018:

IFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. An updated version of IFRS 9 was issued on 10 November 2013. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. The new impairment model applies to financial assets measured at amortised cost and an assessment is required to determine if an expected credit loss is required. The Company has determined that the application of IFRS 9's impairment requirements results in no expected credit loss impairment as the other receivables and payables are short-term in nature.

The effective mandatory date in place for IFRS 9 is 1 January 2018. The Company classifies its financial assets as being at fair value through profit or loss in accordance with its business model as its financial assets are managed and their performance evaluated on a fair value basis in accordance with the documented investment strategy. The adoption of IFRS 9 resulted in financial liabilities previously classified as Loans payable at amortised cost now being measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. New standards and interpretations (continued)

New significant standards and amendments effective 1 January 2018 (continued):

IFRS 15, "Revenue from Contracts with Customers" was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Company has assessed the impact of the adoption of IFRS 15 on the financial statements and determined that it had no significant effect on the financial statements.

New standards and amendments effective after 1 January 2019 which have not been early adopted

IFRS 16, "Leases", issued in January 2016 and effective for annual periods beginning on or after 1 January 2019, replaces existing IAS 17, specifies how to recognise, measure, present and disclose leases. The standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. However, the lessors accounting requirements substantially remains the same as in IAS 17.

The Company is currently assessing the potential impact of the adoption of IFRS 16 on the financial statements and expects that the standard will have no significant effect, when applied, on the financial statements.

IFRIC Interpretation 23 – uncertainty over income tax treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company is currently assessing the impact to the Company's financial statements.

5. Fees

Audit fees

Fees and expenses paid to the statutory auditors, Deloitte Ireland LLP, in respect of the financial year, entirely relate to the audit of the financial statements of the Company. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors during the financial year ended 31 December 2018 or 31 December 2017.

Audit fees charged for the financial year ended 31 December 2018 were €7,500 ex VAT (2017: €7,500).

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Fees (continued)

Administration fees

BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") is entitled to receive an administration fee of US\$15,000 per annum.

	2018 £'000	2017 £'000
Other expenses (including fees mentioned above)		
Administration fees	(13)	(12)
Independent auditors' remuneration	(8)	(6)
Professional fees*	15	(6)
Other expenses*	12	(6)
Total	6	(30)

*These amounts are positive due to an accounting adjustment for the over-accrual of prior year expenses. The current year expense was £6,696 for Professional fees and £3,996 for Other expenses.

6. Other accrued expenses and liabilities

	31 December 2018 £'000	31 December 2017 £'000
Administration fees payable	(14)	(15)
Independent auditors' remuneration payable	(14)	(6)
Professional fees payable	-	(14)
Other payables	(51)	(47)
Total	(79)	(82)

7. Taxation

	2018 £'000	2017 £'000
Current tax		
Current financial year tax charges	-	-
Total	-	-

The reconciliation of tax on the operating income before tax, at the UK standard corporation rate, to the Company's actual tax charge for the financial years ended 31 December 2018 and 31 December 2017, can be seen in the table below:

	2018 £'000	2017 £'000
Operating (loss)/income before tax for the financial year	(428)	2,655
Current tax at 20%	-	531
<i>Effects of:</i>		
Non-taxable income	-	(868)
Deferred tax not recognised	-	337
Tax for the year	-	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Reconciliation of opening and closing balances of liabilities arising from financing activities

	31 December 2018 £'000
Financial Liabilities at fair value through profit and loss	
Opening balance	(26,118)
Loans drawn down	-
Repayments on loans drawn down	1,225
Closing balance	<u>(24,893)</u>

As a result of the adoption of IFRS 9, loans payable previously measured at amortised cost using the effective interest rate method are now designated as financial liabilities at fair value through profit or loss.

	31 December 2017 £'000
Loans payable	
Opening balance	(26,118)
Loans drawn down	(767)
Repayments on loans drawn down	767
Closing balance	<u>(26,118)</u>

9. Investment entities

The following table shows details of the entities that the Company does not consolidate but in which it holds an interest. These entities are collectively known as the "Investment Entities".

Investment Entities held by the Company				Equity Ownership % Held	
Names	Principal Activity	Place of Business	Country of Incorporation	2018	2017
Hale Farm Solar Limited	Solar farm	United Kingdom	United Kingdom	100%	100%
UK Solar (Hartwell) LLP	Solar farm	United Kingdom	United Kingdom	99%	99%
UK Solar (Lower Newton) LLP	Solar farm	United Kingdom	United Kingdom	84%	84%

10. Share capital

	31 December 2018 £'000	31 December 2017 £'000
<i>Issued and fully paid up</i>		
11,387,060 (2017: 11,387,060) ordinary shares of £1 each	<u>11,387</u>	<u>11,387</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of Investments

The Company classifies financial instruments measured at fair value using a fair value hierarchy. The fair value hierarchy has the following categories:

Level 1 - Quoted prices for identical instruments in active markets

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The Company does not adjust the quoted price for these instruments.

Level 2 - Valuation techniques using observable inputs

This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Valuation techniques used for non-standardised financial instruments such as OTC derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity determined inputs.

Level 3 - Valuation techniques using significant unobservable inputs

This category includes all instruments where the valuation techniques used include inputs not based on market data and these inputs could have a significant impact on the instrument's valuation.

This category also includes instruments that are valued based on quoted prices for similar instruments where significant entity determined adjustments or assumptions are required to reflect differences between the instruments and instruments for which there is no active market. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

The Company uses proprietary discounted cash flow valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used and determination of expected future cash flows on the financial instrument being valued. Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgement is required to select the most appropriate point in the range.

There are a number of key assumptions that have a significant impact on the carrying value of the investments held by the Company with regard to discounting future cash flows. These are the discount factor, inflation rate, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce and project operating costs. Changes in these estimates or assumptions can result in significant variations in the carrying value and amounts charged or credited to the Statement of Comprehensive Income in specific periods.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of investments (continued)

The following table is a summary of the Company's financial assets and financial liabilities carried at fair value as at 31 December 2018 and 31 December 2017:

As at 31 December 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss	-	-	39,166	39,166
Total financial assets at fair value through profit or loss	-	-	39,166	39,166
Financial liabilities at fair value through profit or loss	-	-	(24,893)	(24,893)
Total financial liabilities at fair value through profit or loss	-	-	(24,893)	(24,893)
As at 31 December 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss	-	-	39,296	39,296
Total financial assets at fair value through profit or loss	-	-	39,296	39,296

The Company held only Level 3 investments during the financial years ended 31 December 2018 and 31 December 2017. There were no transfers between levels during the financial years ended 31 December 2018 and 31 December 2017.

The following table shows a reconciliation of all investments categorised within Level 3 between the beginning and the end of the reporting year:

	31 December 2018 £'000	31 December 2017 £'000
Financial assets at fair value through profit or loss		
Opening balance	39,296	37,698
Purchase of investments	-	975
Repayment of investments	(1,266)	(205)
Unrealised gain on financial assets held at fair value through profit or loss	1,136	828
Closing balance	39,166	39,296

Financial assets at fair value through profit or loss of £39,166,167 (2017: £39,295,632) reflects investments made by way of equity of £30,845,558 (2017: £29,709,512) and debt of £8,320,609 (2017: £9,586,120).

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of investments (continued)

Significant unobservable inputs used in measuring fair value

The table below sets out information about significant unobservable inputs used at 31 December 2018 and 31 December 2017 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

As at 31 December 2018

Investment type	Fair value £'000	Valuation technique	Unobservable inputs	Shock range of unobservable inputs utilised	Sensitivity of fair values to changes in unobservable inputs* (£'000)
Investments	39,166	Discounted Cash Flow	Inflation	+/- 0.46%	40,601 - 37,789
			Resource	+/- 6.36%-7.47%	42,299 - 36,021
			Power Prices	+/- 18.48%	42,866 - 35,425
			Discount Rate	+/- 0.82%	42,045 - 36,567

As at 31 December 2017

Investment type	Fair value £'000	Valuation technique	Unobservable inputs	Shock range of unobservable inputs utilised	Sensitivity of fair values to changes in unobservable inputs* (£'000)
Investments	39,296	Discount	Inflation	+/- 0.49%	41,347 - 37,344
			Resource	+/- (6.36%-7.47%)	43,167 - 35,467
			Power Prices	+/- 17.29%	43,676 - 34,910
			Discount Rate	+/- 0.82%	42,961 - 35,993

* Ranges presented reflect the standalone impact for each input if a stress scenario were to arise and do not take into account any reduction in ranges for any natural correlations between inputs.

Further details of the significant unobservable inputs are outlined below:

Inflation:

The inflation rate is based upon independent published consumer and retail price indices forecasts based on the underlying region.

Resource:

The electricity produced and revenues generated by a solar energy project depends heavily on natural resource conditions, which are variable and forecasted based on assumptions, models and historical data. If the solar conditions are unfavourable or below estimates then the electricity production may be substantially below the Company's expectations. External reports are used to estimate the expected electrical output from the assets taking into account various factors at each location and generation data from historical operations. The actual electrical output may differ from that estimated in such a report mainly due to the variability of actual production that is modelled in any one period. Assumptions around electrical output will only be changed if there is evidence to suggest there has been a material change in this expectation.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of Investments (continued)

Significant unobservable inputs used in measuring fair value (continued)

Power prices:

The price at which the output from the generating assets is sold is based on two elements, the first typically being a fixed price under a power purchase agreement or a fixed income tariff for a specific term and the second being future pricing. The revenues generated by solar plants that are not fixed under fixed priced tariffs depend on market prices of energy in competitive wholesale energy markets. There can be no assurance that market prices will be at levels that enable the projects to which the Company is exposed to operate profitably or as anticipated. Future prices are estimated using external third party forecasts which take the form of specialist consultancy reports. The future power price assumptions will be reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection.

Discount rate:

The discount rate reflects current market assessments of interest rates and the risks specific to the asset. The discount rate used reflects the Company's required rate of return for these investments and it is reasonable an alternative assumption may be used resulting in a different value. This rate is reviewed semi-annually by the Company to ensure it is set at the appropriate level, taking into account any recent market transactions that were similar in nature when considering any changes to the rate used.

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value as at 31 December 2018 and 31 December 2017 but for which a fair value is disclosed:

As at 31 December 2018	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Due from related party	-	66	-	66
Other receivables	-	11	-	11
Interest payable	-	(240)	-	(240)
Other accrued expenses and liabilities	-	(79)	-	(79)
	-	(242)	-	(242)
As at 31 December 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Cash and cash equivalents	1,702	-	-	1,702
Due from related party	-	66	-	66
Other receivables	-	11	-	11
Loans payable	-	(26,118)	-	(26,118)
Interest payable	-	(416)	-	(416)
Other accrued expenses and liabilities	-	(82)	-	(82)
	1,702	(26,539)	-	(24,837)

The assets and liabilities included above are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management

The Company's investment activities expose it to the various types of risk which are associated with the investments and markets in which it invests. The following information is not intended to be a comprehensive description of all risks.

(a) Market risk

Market risk arises mainly from uncertainty about future values of investments influenced by other price, currency and interest rate movements. It represents the potential loss the Company may suffer through holding market positions in the face of market movements.

(i) Market risk arising from foreign currency risk

Foreign currency risk exists where assets and liabilities are denominated in currencies other than the functional currency.

The Company's investments are denominated in the same currency as the functional currency and therefore there is no significant exposure to foreign currency risk as at 31 December 2018 and 31 December 2017 and therefore no currency sensitivity analysis has been presented.

Certain expense accruals in the Statement of Financial Position are incurred in USD \$ and €, but are not deemed to present a significant exposure to foreign currency risk.

(ii) Market risk arising from interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table details the Company's exposure to interest rate risks as at 31 December 2018 and 31 December 2017:

As at 31 December 2018	Fixed £'000	Floating £'000	Non Interest bearing £'000	Total £'000
Assets				
Financial assets at fair value through profit or loss	-	-	39,166	39,166
Due from related party	-	-	66	66
Other receivables	-	-	11	11
Total assets	-	-	39,243	39,243
Liabilities				
Financial liabilities at fair value through profit or loss	(24,893)	-	-	(24,893)
Interest payable	-	-	(240)	(240)
Other accrued expenses and liabilities	-	-	(79)	(79)
Total liabilities	(24,893)	-	(319)	(25,212)
Net exposure	(24,893)	-	38,924	14,031

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(a) Market risk (continued)

(ii) Market risk arising from interest rate risk (continued)

As at 31 December 2017	Fixed £'000	Floating £'000	Non Interest bearing £'000	Total £'000
Assets				
Financial assets at fair value through profit or loss	-	-	39,296	39,296
Cash and cash equivalents	-	1,702	-	1,702
Due from related party	-	-	66	66
Other receivables	-	-	11	11
Total assets	<u>-</u>	<u>1,702</u>	<u>39,373</u>	<u>41,075</u>
Liabilities				
Loans payable	(26,118)	-	-	(26,118)
Interest payable	-	-	(416)	(416)
Other accrued expenses and liabilities	-	-	(82)	(82)
Total liabilities	<u>(26,118)</u>	<u>-</u>	<u>(498)</u>	<u>(26,616)</u>
Net exposure	<u>(26,118)</u>	<u>1,702</u>	<u>38,875</u>	<u>14,459</u>

The Company has interest rate risk exposure on the valuation and cash flows of its interest bearing assets and liabilities. The investments held by the Company are in the form of equity and debt. In addition, the investments may be indirectly effected by the impact of interest rate changes.

All of the investments held by the Company are Level 3 securities and are priced using significant unobservable inputs and the impact on the valuation of movements in the interest rates (and its impact on discount rates) have been considered in the valuation model. A sensitivity analysis is considered not to be representative of the total effect on the Company's net assets attributable to equity shareholder of future movements in interest rates and therefore has not been presented.

The impact on net assets attributable to equity shareholder arising from increasing/decreasing the significant unobservable inputs used in the Company's valuation of financial assets not traded in active markets is presented on page 22.

(iii) Market risk arising from other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar investments traded in the market.

There are a number of key assumptions that have a significant impact on the carrying value of the investments with regard to discounting future cash flows. These are the discount factor, inflation rate, the price at which the power and associated benefits can be sold, and the amount of electricity the assets are expected to produce and project operating costs. Changes in these estimates or assumptions can result in significant variations in the carrying value and amounts charged or credited to the Statement of Comprehensive Income in specific periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(a) Market risk (continued)

(iii) *Market risk arising from other price risk (continued)*

To manage other price risk, the Company performs extensive initial and ongoing due diligence on the companies purchased. The underlying companies that own, construct and/or operate the solar projects are required to provide the Company with reports on a daily, monthly or quarterly basis and monitor the internal controls and operational infrastructure of the managers of these companies.

By diversifying the portfolio, where this is appropriate and consistent with the Company's objectives, the risk that a price change of a particular investment will have a material impact on the Company is minimised.

The Company's financial assets are Level 3 securities which are priced using significant unobservable inputs, therefore a sensitivity analysis is considered not to be representative of the total effect on the Company's net assets attributable to equity shareholder of future movements in market prices.

The impact on net assets attributable to equity shareholder arising from increasing/decreasing the significant unobservable inputs used in the Company's valuation of financial assets not traded in active markets is presented on page 22.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk to the Company arises from the loan payable to the Limited Company and the liquidity of the underlying investments it has made.

Given the uncertainty inherent in the valuation of assets of the Company that lack a readily ascertainable market value, the value of such assets as reflected in the Company's Statement of Financial Position may differ materially from the prices at which the Company would be able to liquidate such assets. The value of assets that lack a readily ascertainable market value may be subject to adjustment based on valuation information available to the Company at that time. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the Statement of Financial Position of the Company.

As at 31 December 2018 and 31 December 2017, the Company's financial liabilities classified into relevant maturity groupings based on the remaining period to the contractual maturity date were as follows:

As at 31 December 2018	Less than 1 month £'000	1 - 3 months £'000	3 months to 1 year £'000	Over 1 year £'000	Total £'000
Financial liabilities					
Financial liabilities at fair value through profit or loss	-	-	-	(24,893)	(24,893)
Interest payable	-	-	-	(240)	(240)
Other accrued expenses and liabilities	-	-	(79)	-	(79)
Total financial liabilities	-	-	(79)	(25,133)	(25,212)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(b) Liquidity risk (continued)

As at 31 December 2017	Less than 1 month £'000	1 - 3 months £'000	3 months to 1 year £'000	Over 1 year £'000	Total £'000
Financial liabilities					
Loans payable	-	-	-	(26,118)	(26,118)
Interest payable	-	-	(416)	-	(416)
Other accrued expenses and liabilities	-	-	(82)	-	(82)
Total financial liabilities	-	-	(498)	(26,118)	(26,616)

The Company's liquidity risk is managed in accordance with policies and procedures in place. The analysis and management of liquidity risks are monitored and assessed at all stages in the investment selection process. The Company's overall liquidity risks are monitored on a regular basis by the Board of Directors.

(c) Counterparty credit risk

Counterparty credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to counterparty credit risk on parties with whom it trades and bears the risk of settlement default.

The extent of the Company's exposure to counterparty credit risk in respect of these financial assets approximates their carrying value as recorded in the Statement of Financial Position.

The carrying amount of financial assets best represents the maximum credit risk exposure at the statement of financial position date. At the financial year end, the Company's financial assets exposed to credit risk amounted to the following:

	31 December 2018 £'000	31 December 2017 £'000
Assets		
Financial assets at fair value through profit or loss	39,166	39,296
Cash and cash equivalents	-	1,702
Due from related party	66	66
Other receivables	11	11
Total assets	39,243	41,075

None of these financial assets are impaired nor past due but not impaired.

The Company currently has exposure to related parties through the loans issued to the Investment Entities. This exposes the Company to the risk that Investment Entities may default on interest or principal payments. To manage this risk, the Investment Manager of the Fund performs extensive initial and ongoing due diligence on the companies purchased by the Company. The underlying companies that will own, construct and/or operate the wind and solar projects are required to provide the Investment Manager of the Fund with reports on a daily, monthly or quarterly basis and monitor the internal controls and operational infrastructure of the managers of these companies.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(c) Counterparty credit risk (continued)

To mitigate the Company's counterparty credit risk with respect to The Bank of New York Mellon SA/NV (the "Bank"), the Board of Directors employ specific procedures to ensure that the Bank employed is a reputable institution and that the associated counterparty credit risk is acceptable to the Company.

The Bank is a regulated entity subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies. The Bank's parent company, The Bank of New York Mellon Corporation, has a Moody's long term credit rating of A1 (2017: A1). All cash balances are held with the Bank.

13. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party in making financial or operational decisions. All related party transactions were carried out at arm's length in the ordinary course of business.

The Directors are not entitled to receive Directors' fees from the Company.

No amounts have been written off in the financial years ended 31 December 2018 or 31 December 2017 in respect of amounts due to or from related parties. No provisions have been recognised by the Company against amounts due from related parties at the financial year end date.

No commitments secured or unsecured or guarantees have been entered into with related parties during the financial year.

The following tables details the Company's related party transactions during the financial years ended 31 December 2018 and 31 December 2017:

As at 31 December 2018	Investment Entities £'000	RI Income UK Holdings Limited £'000	Limited Company £'000
Statement of Comprehensive Income			
Dividend income	46	-	-
Interest expense on loans payable	-	-	(1,613)
Statement of Financial Position			
Financial assets at fair value through profit or loss - Loans*	8,321	-	-
Financial assets at fair value through profit or loss - Equity attributable to equity shareholder	30,845	-	-
Due from related party**	-	66	-
Equity attributable to equity shareholder	-	14,031	-
Financial liabilities at fair value through profit or loss - Loans payable***	-	-	(24,893)
Interest payable on loans payable	-	-	(240)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Related party transactions (continued)

As at 31 December 2017	Investment Entities £'000	RI Income UK Holdings Limited £'000	Limited Company £'000
Statement of Comprehensive Income			
Dividend income	3,514	-	-
Interest expense on loans payable	-	-	(1,658)
Statement of Financial Position			
Financial assets at fair value through profit or loss - Loans*	9,586	-	-
Financial assets at fair value through profit or loss - Equity attributable to equity shareholder	29,710	-	-
Due from related party**	-	66	-
Equity attributable to equity shareholder	-	14,459	-
Loans payable***	-	-	(26,118)
Interest payable on loans payable	-	-	(416)

*These loans are repayable on demand and no interest was earned nor received from these loans.

**This related to a repayment of equity which is now due back to the Company from RI Income UK Holdings Limited.

***All loans from the Limited Company have a fixed interest rate of 6.30% to 6.50% and a maturity date of 31 December 2044.

BlackRock Asset Management Ireland Limited has paid fees on behalf of the Company. As at 31 December 2018, the amount payable to BlackRock Asset Management Ireland Limited for the payment of fees is £36,182 (2017: £33,141). The Fund has also paid fees on behalf of the Company. As at 31 December 2018, the amount payable to the Fund is £13,749 respectively (2017: Nil).

There were no loans, quasi loans, credit transactions or remuneration between the Company and its key management personnel or Directors for the financial years ended 31 December 2018 and 31 December 2017.

14. Dividend Income

The Company earns dividend income from the Investment Entities. Dividend income for the financial year ended 31 December 2018 was £46,000 (2017: £3,513,874).

15. Exchange rates

The following exchange rates were used to translate assets and liabilities into £ as at 31 December 2018 and 31 December 2017:

Currency	31 December 2018	31 December 2017
USD	1.2736	1.3527
EUR	1.1141	1.1265

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Subsequent events

There were no significant events affecting the Company since the financial year end.

17. Approval of financial statements

The Board of Directors approved the financial statements on 13 March 2019.