BlackRock Renewables UK Limited

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2017

COMPANY NUMBER: 8333324

BlackRock Renewables UK Limited
Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2017

CONTENTS

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 Auditor
Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
29 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

Legal Advisors
Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Custodian
BNY Mellon Trust Company (Ireland) Limited
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of BlackRock Renewables UK Limited (the "Company") for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company, a UK registered company, was incorporated on 17 December 2012. The Company was established as a vehicle to provide investment into UK renewable power assets through equity and debt instruments, focusing on acquiring primarily wind and solar power projects at operational and pre-operational stages. It funds this through the issuance of loan notes with related parties.

RESULTS AND DIVIDENDS

The results for the financial year are shown on page 8. The Directors do not recommend the payment of a dividend.

CHANGES IN DIRECTORS AND REGISTERED OFFICE

There was no change in Directors, Secretary or 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 1. 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 relate to the financial instruments held by it and are set out in Note 12 to the financial statements.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SUBSEQUENT EVENTS

The subsequent events which have occurred since the Statement of Financial Position date are set out in note 15 to the financial statements.

FUTURE DEVELOPMENTS

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 both the management company of the BlackRock NTR Renewable Power Fund (Offshore Master), L.P., a Cayman Islands exempted limited partnership (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.

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 employs accounting personnel with the appropriate expertise and by providing adequate resources to the finance function.

Those accounting records 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

Director

Date: 18 June 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 period. The Directors have prepared the 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 period.

In preparing these financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments 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 Director is 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.

Deloitte.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BLACKROCK RENEWABLES UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profits for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of BlackRock Renewables UK Limited (the 'Company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (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 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, 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.

Continued on next page /

Deloitte.

\Continued from previous page

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BLACKROCK RENEWABLES UK LIMITED

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.

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.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the company's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concludes on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Continued on next page /

Deloitte.

\Continued from previous page

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF BLACKROCK RENEWABLES UK LIMITED

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in 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.

Darren Griffin

Darren Griffin
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House,
Earlsfort Terrace, Dublin 2

Date: 18 June 2018

STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 December 2017 £'000	31 December 2016 £'000
Income			
Other income		8	-
Realised gain/(loss) on financial assets at fair value through profit or loss	11	155	(887)
Unrealised gain on financial assets at fair value through profit or loss	11	9,457	11,652
Total income		9,620	10,765
Expenses			
Interest expense	13	(1,460)	(1,942)
Total expenses		(1,460)	(1,942)
Operating profit before tax		8,160	8,823
Tax on profit	6	198	388
Net increase in shareholder's equity from operating activities		8,358	9,211

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

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2017 £'000	31 December 2016 £'000
Assets			
Financial assets at fair value through profit or loss	10,11	54,146	49,436
Cash and cash equivalents		-	2
Other receivables		673	472
Total assets		54,819	49,910
Liabilities			
Deposits and payables	7,13	(34,083)	(37,592)
Interest payable	13	(165)	(105)
Total liabilities		(34,248)	(37,697)
Net assets		20,571	12,213
Equity attributable to equity shareholders			
Share capital	9	-	-
Retained earnings		20,571	12,213
Total shareholders' equity		20,571	12,213

Director

Date: 18 June 2018

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	31 December 2017 £'000	31 December 2016 £'000
Share Capital		
Opening balance	-	-
Share capital issued	-	-
Closing balance	-	-
Retained Earnings		
Opening balance	12,213	3,002
Net increase in shareholder's equity from operating activities	8,358	9,211
Closing balance	20,571	12,213
Total shareholders' equity at the end of the financial year	20,571	12,213

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

STATEMENT OF CASH FLOWS

	31 December 2017 £'000	31 December 2016 £'000
Cash flows from operating activities		
Net increase in shareholder's equity resulting operating activities	8,358	9,211
Adjustment for:		
Realised (gain)/loss on financial assets at fair value through profit or loss	(155)	887
Unrealised gain on financial assets at fair value through profit or loss	(9,457)	(11,652)
Interest expense	1,460	1,942
(Increase)/decrease in other receivables	(201)	199
Net cash provided by operating activities	5	587
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	-	(41,075)
Disposal/repayment of financial assets at fair value through profit or loss	4,902	50,168
Net cash provided by investing activities	4,902	9,093
Cash flows from financing activities		
Interest paid	(1,400)	(1,842)
Proceeds from issuance of loan notes	-	550
Payment on redemption of loan notes	(3,509)	(8,386)
Net cash used in financing activities	(4,909)	(9,678)
Net (decrease)/increase in cash and cash equivalents	(2)	2
Cash and cash equivalents at beginning of the year	2	-
Cash and cash equivalents at end of the year	-	2

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

NOTES TO THE FINANCIAL STATEMENTS

1. General information

BlackRock Renewables UK Limited (the "Company"), a UK registered company, was incorporated on 17 December 2012.

In these financial statements BlackRock Renewables UK Limited is referred to as the "Company". BlackRock Renewable (Finance) Dublin Designated Activity Company is the legal and beneficial owner of 100 ordinary shares with a par value of £1.00 held at BlackRock Renewable UK Limited. These entities are all part of BlackRock NTR Renewable Power Fund (Offshore Master) L.P. (the "Fund").

The Company is a wholly owned entity of BlackRock Renewable Finance (Dublin) Designated Activity Company. The ultimate parent undertaking and controlling party of the Company is considered to be the Fund.

The principal accounting policies and notes are set out below, all of which applied for the financial year ended 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 and judgements

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 period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of preparation (continued)

(c) Use of estimates and judgements (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 Directors have concluded that the Company satisfies the criteria to be regarded as an investment entity under IFRS 10. As a result the Company's investment in the subsidiaries is accounted for at fair value through profit or loss.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and the three essential criteria specified in the standard. The three essential criteria are such that the entity must:

1) Obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
2) Commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
3) Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criteria, the notion of an investment time frame is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. Although the Company has invested in equity interests in special purpose vehicles that have an indefinite life, the Company is part of an overall fund structure with a fund life of 10 years demonstrating intent to exit within this timeframe. This can be extended by two consecutive one year periods.

The Company does not provide any financial support to non-controlled structured entities, in the absence of contractual obligations that resulted in control being obtained.

(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

Financial assets at fair value through profit or loss
Financial assets are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics. All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at trade date, being the date on which the Company became party to the contractual requirements of the financial asset.

The Company has not classified any of its financial assets as Held to Maturity or as Available for Sale. The Company's financial assets comprise of loans and receivables and investments designated as financial assets at fair value through profit or loss.

Loans and Receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise trade and other receivables and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at amortised cost using the effective interest rate method, less any provisions for impairment.

A provision for impairment is made where there is objective evidence (including counterparties with financial difficulties or in default on payments) that amounts will not be recovered in accordance with original terms of the agreement. This is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. If any such indication exists, the asset's recoverable amount, being the higher of the fair value less costs to sell and the value in use of the asset, is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

In respect of loans and receivables, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments Held at Fair Value Through Profit or Loss
Investments are designated upon initial recognition as held at fair value through profit or loss. Financial assets are recognised/derecognised at the trade date of the purchase/disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Statement of Comprehensive Income as incurred. Thereafter, investments are measured at subsequent reporting dates at fair value in accordance with IFRS.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on a levered, discounted cash flow basis in accordance with IFRS 13 'Fair Value Measurement'. Gains or losses resulting from the revaluation of investments are recognised in the Statement of Comprehensive Income.

Because of their inherent uncertainty, estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed and differences could be material.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. **Significant accounting policies (continued)**

(a) **Financial instruments (continued)**

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

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

(b) **Cash and cash equivalents**
Cash and cash equivalents include cash in hand, demand deposits, time deposits and other short-term highly liquid investments with original maturities of three months or less from the acquisition date.

(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.

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 periods 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.

(d) **Interest expense**
Interest expense is recognised in the Statement of Comprehensive Income on an effective interest rate basis.

(e) **Expenses**
Expenses are accounted for on an accruals basis with the exception of transaction costs relating to the acquisition and realisation of financial assets at fair value through profit or loss which are charged as incurred.

(f) **Collateral**
The Company has not received or pledged any assets as collateral during the financial year ended 31 December 2017 and 31 December 2016.

(g) **Deposits and payables**
Deposits and payables include amounts received from related parties in the form of interest bearing or non-interest bearing loan notes and are measured at amortised cost. The repayments are limited recourse obligations payable solely from the assets of the borrower.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. New standards and interpretations

New standards, amendments and interpretations effective 1 January 2017

The International Accounting Standards Board (IASB) has published amendments to IAS 7 'Statement of Cash Flows'. The amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity's financing activities. To achieve this objective, the IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. They are effective for annual periods beginning on or after 1 January 2017. The Company has adopted the standard for the financial year 31 December 2017 which has had no significant impact of the financial statements, other than an additional reconciliation of liabilities arising from financing activities in note 7.

New standards, amendments and interpretations effective after 1 January 2018 and have not been early adopted

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. The effective mandatory date in place for IFRS 9 is 1 January 2018. No changes are envisaged in the classification and measurement of the financial instruments held by the Company as a result of the revision from IAS 39 to IFRS 9.

IFRS 15, 'Revenue from Contracts with Customers'– IFRS 15 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.

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 15 and IFRS 16 on the financial statements and expects that the standards will have no significant effect, when applied, on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 years ended 31 December 2017 and 31 December 2016.

The auditors' remuneration of £32,594 (2016: £31,109), has been paid by the Fund on behalf of the Company.

6. Taxation

	31 December 2017 £'000	31 December 2016 £'000
Current tax		
Current financial year tax charges	(198)	(388)
Total current period taxation charge	(198)	(388)

The reconciliation of tax on the operating income before taxation, at the UK standard corporation tax rate, to the Company's actual tax charge for the financial years ended 31 December 2017 and 31 December 2016 are as follows:

	31 December 2017 £'000	31 December 2016 £'000
Operating profit before tax for the financial year	8,160	8,823
Current tax at 19.25% (2016: 20%)	1,571	1,765
Effects of:		
Non-taxable income	(1,852)	(2,153)
Deferred tax not recognised	-	-
Other timing differences	83	-
Tax for the year	(198)	(388)

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

	31 December 2017 £'000	31 December 2016 £'000
Deposits and payables		
Opening balance	(37,592)	(45,428)
Loans drawn down	-	(550)
Repayments on loans drawn down	3,509	8,386
Closing balance	(34,083)	(37,592)

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. 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".

Names	Farm Activity	Place of Business	Country of Incorporation	2017 Ownership % Held	2016 Ownership % Held
Tranche 3 Holdings Limited	Holding Company	United Kingdom	United Kingdom	100%	100%
Tranche 5 Limited	Holding Company	United Kingdom	United Kingdom	100%	100%
Goonhilly Solar Limited	Solar Farm	United Kingdom	United Kingdom	100%	100%
Goonhilly Limited *	Wind Farm	United Kingdom	United Kingdom	100%	100%
Ramsay II Limited *	Wind Farm	United Kingdom	United Kingdom	100%	100%
Sancton Hill Limited *	Wind Farm	United Kingdom	United Kingdom	100%	100%
South Sharpley Limited *	Wind Farm	United Kingdom	United Kingdom	100%	100%
St Breock Limited *	Wind Farm	United Kingdom	United Kingdom	100%	100%

* Investments held indirectly through a holding company.

The Company does not provide any financial support to non-controlled structured entities, in the absence of contractual obligations that resulted in control being obtained.

During the year ended 31 December 2016, two financial instruments at fair value through profit or loss – Goonhilly Limited and Tranche 3 Holdings Limited - were transferred to Tranche 5 Limited at fair value. The aggregate net realised gain from the aforementioned transfers was £369,282. The purpose of the transfers was to refinance certain bank debt related to these investment entities.

9. Share capital

	31 December 2017 £'000	31 December 2016 £'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Issued and fully paid up		
100 ordinary shares of £1 each	-	-

10. Measurement basis of financial assets and liabilities

31 December 2017	Designated upon initial recognition as held at fair value through profit or loss £'000	Loans and advances held at amortised cost £'000
Financial assets		
Financial assets at fair value through profit or loss	54,146	-
Total financial assets	54,146	-
Financial liabilities		
Deposits and payables	-	(34,083)
Total financial liabilities	-	(34,083)

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Measurement basis of financial assets and liabilities (continued)

31 December 2016	Designated upon initial recognition as held at fair value through profit or loss £'000	Loans and advances held at amortised cost £'000
Financial assets		
Financial assets at fair value through profit or loss	49,436	-
Total financial assets	49,436	-
Financial liabilities		
Deposits and payables	-	(37,592)
Total financial liabilities	-	(37,592)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of Investments (continued)

The Company uses proprietary discounted cash flow valuation models to value its investments. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments. 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 useful life of the assets, the discount factor, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce. 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.

Useful lives are based on the Company's estimates of the period over which the assets will generate revenue; these are reviewed and adjusted if appropriate at each balance sheet date. The estimated useful life of Wind and Solar farm assets is 25 years. However, the actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by 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 annually by the Company to ensure it is set at the appropriate level, taking into account any recent market transactions were similar in nature when considering any changes to the rate used.

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 ("PPA") or a fixed income tariff ("FIT") for a specific term and the second being future pricing. 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.

External reports are used to estimate the expected electrical output from the wind or solar farm 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.

The following is a summary of the Company's financial assets carried at fair value as at 31 December 2017 and 31 December 2016:

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				
Investments in Subsidiaries	-	-	54,146	54,146
Total financial assets at fair value through profit or loss	-	-	54,146	54,146

As at 31 December 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments in Subsidiaries	-	-	49,436	49,436
Total financial assets at fair value through profit or loss	-	-	49,436	49,436

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of investments (continued)

The Company held only level 3 investments during the financial years ended 31 December 2017 and 31 December 2016. There were no transfers between levels during the financial years ended 31 December 2017 and 31 December 2016.

The following table shows a reconciliation of all investments categorised within Level 3 between during the financial years ended 31 December 2017 and 31 December 2016:

	31 December 2017	31 December 2016
Investments at fair value through profit or loss	**£'000**	**£'000**
Opening balance	49,436	47,764
Acquisition of investments	-	41,075
Repayment of investments	(4,902)	(23,321)
Disposal of investments	-	(26,847)
Realised gain/(loss) on financial assets at fair value through profit or loss	155	(887)
Unrealised gain on financial assets at fair value through profit or loss	9,457	11,652
Closing balance	54,146	49,436

Financial assets at fair value through profit or loss of £54,146,396 (2016: £49,435,738) reflects investments made by way of equity of £30,607,667 (2016: £21,021,380) and debt of £23,538,729 (2016: £28,414,358).

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value as at 31 December 2017 and 31 December 2016 end but for which a fair value is disclosed:

As at 31 December 2017	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Other receivables	-	673	-	673
Deposits and payables	-	(34,083)	-	(34,083)
Interest payable	-	(165)	-	(165)
	-	(33,575)	-	(33,575)

As at 31 December 2016	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Cash and cash equivalents	2	-	-	2
Other receivables	-	472	-	472
Deposits and payables	-	(37,592)	-	(37,592)
Interest payable	-	(105)	-	(105)
	2	(37,225)	-	(37,223)

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of investments (continued)

Sensitivity of Significant Unobservable Inputs used in Level 3 Fair Value Measurements

The table below sets out information about significant unobservable inputs used at 31 December 2017 and 31 December 2016 in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Investment Type		Balance at 31 December 2017 (£'s in thousands)	Valuation Technique(s)	Significant unobservable inputs	Shock range of unobservable inputs utilised	Sensitivity of fair value to changes in unobservable inputs ^*
Investments	£	54,146	Discounted Cash Flows	Inflation	+/- 0.49%	57,595 - 50,877
				Natural Resources	+/- 5.54% - 10.80%	63,002 - 45,305
				Interest rate	+/- 0.26%	54,146 - 54,146
				Power Prices	+/- 17.29%	63,950 - 44,668
				Discount Rate	+/- 0.82%	58,922 - 49,870

Investment Type		Balance at 31 December 2016 (£'s in thousands)	Valuation Technique(s)	Significant unobservable inputs	Shock range of unobservable inputs utilised	Sensitivity of fair value to changes in unobservable inputs ^*
Investments	£	49,436	Discounted Cash Flows	Inflation	+/- 0.51%	52,814 - 46,239
				Natural Resources	+/- 5.77% - 10.80%	59,732 - 39,195
				Interest rate	+/- 0.27%	49,436 - 49,436
				Power Prices	+/- 12.39%	55,560 - 43,400
				Discount Rate	+/- 0.87%	53,883 - 45,890

^Significant increase/(decrease) in the unobservable inputs in isolation would result in a significantly higher/(lower) fair value measurement.

* 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 regions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Valuation of investments (continued)

Sensitivity of Significant Unobservable Inputs used in Level 3 Fair Value Measurements (continued)

Natural resources:
The electricity produced and revenues generated by a wind or solar energy project depends heavily on natural resource conditions, which are variable and forecasted based on assumptions, models and historical data. If the wind or 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.

Interest rate:
The interest rate is based upon market interest rates based on the underlying regions.

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 wind farms and 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.

12. Financial risk management

The Company's investment activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Company is also exposed to operational risks such as settlement risk.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on the Company's investments is limited to the fair value of those positions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

The fair value of the investments is subject to the following principal risks and uncertainties:

Renewables Policy Changes
If the Renewables industry was to reduce or fundamentally change its support for increased use of energy from Renewable sources including generation of electricity from wind or solar, this could have an adverse effect on international, national or local government authority support in the promotion of such energy sources. If an authority was to reduce the value of any green benefits relied upon by the Company retrospectively to current operating projects this could have a material adverse effect on the Company.

Market Pricing
A decline in the market price of electricity could materially adversely affect revenues and financial conditions. Similarly, a decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity and thus the price achieved for electricity generated by the Company's wind or solar farms. At present the Company does not hedge its sales of electricity generated. The Company monitors current and forecasted electricity prices via the engagement of appropriate market experts in power pricing and would commence hedging if required.

Natural Resources
The Company's revenues are dependent upon the weather conditions at the respective wind and solar farms and conditions at any site can vary materially across seasons and years. It is the Company's investment policy to mitigate this risk by using the central estimate (known as P50) for expected resources from the output of the energy assessment that predict long term yields. A P50 figure indicates the probability of reaching a higher or lower annual energy production.

Useful Life
Wind turbines or solar panels may have shorter life-spans than their expected life-span of 25-30 years. In the event that they do not operate for the period of time assumed by the Company in its investment model or require additional maintenance expenditure to do so, it could have a material adverse effect on performance. The Company only utilises technology that has an appropriate operational track record. Regular maintenance ensures that all technology is in good working order and all turbines and panels are fit for purpose over their expected life spans.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk as detailed below.

(i) Foreign currency risk
Foreign currency risk exists where assets and liabilities are denominated in currencies other than the functional currency. The Company may use forward currency contracts for the purpose of economically hedging its foreign currency risk exposure.

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 2017 and 31 December 2016 and therefore no currency sensitivity analysis has been presented.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(a) Market risk (continued)

(ii) 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.

The analysis and management of price risks are monitored and assessed at all stages in the investment selection process. The Company's financial assets exposed to price risk were concentrated in the following industries as at 31 December 2017 and 31 December 2016:

		31 December 2017		31 December 2016	
		Fair value £'000	Financial assets held at fair value %	Fair value £'000	Financial assets held at fair value %
Industry Type	**Place of Business**				
Wind	United Kingdom	48,530	89.63	44,080	89.17
Solar	United Kingdom	5,616	10.37	5,356	10.83
Total		54,146	100.00	49,436	100.00

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.

(iii) 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 interest rate profile of the Company's financial assets and financial liabilities as at 31 December 2017 and 31 December 2016:

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	-	-	54,146	54,146
Other receivables	-	-	673	673
Total assets	-	-	54,819	54,819
Liabilities				
Deposits and payables	(19,510)	-	(14,573)	(34,083)
Interest payable	-	-	(165)	(165)
Total liabilities	(19,510)	-	(14,738)	(34,248)
Net exposure	(19,510)	-	40,081	20,571

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

As at 31 December 2016	Fixed £'000	Floating £'000	Non Interest bearing £'000	Total £'000
Assets				
Financial assets at fair value through profit or loss	-	-	49,436	49,436
Cash and cash equivalents	-	-	2	2
Other receivables	-	-	472	472
Total assets	-	-	49,910	49,910
Liabilities				
Deposits and payables	(22,298)	-	(15,294)	(37,592)
Interest payable	-	-	(105)	(105)
Total liabilities	(22,298)	-	(15,399)	(37,697)
Net exposure	(22,298)	-	34,511	12,213

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.

Interest rate risk exposure is managed by constantly monitoring the position for deviations outside of a predetermined tolerance level and, when necessary, rebalancing back to the original desired parameters.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The main liability of the Company is associated with the repayment of the notes subscription agreements but it is subordinate to the claims of all other creditors of the Company and is of limited recourse. The Company may invest in illiquid assets for which there is no established resale market. The Company might only be able to liquidate these assets at disadvantageous prices, should it become necessary. Illiquidity in certain assets could make it difficult for the Company to liquidate assets in favourable terms, thereby resulting in losses or a decrease in the total assets of the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(b) Liquidity risk (continued)

At 31 December 2017 and 31 December 2016, 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 2017	Less than 1 month £'000	1 - 3 months £'000	3 months to 1 year £'000	Over 1 year £'000
Financial liabilities				
Deposits and payables	-	-	-	(34,083)
Interest payable	-	-	(165)	-
Total liabilities	-	-	(165)	(34,083)

As at 31 December 2016	Less than 1 month £'000	1 - 3 months £'000	3 months to 1 year £'000	Over 1 year £'000
Financial liabilities				
Deposits and payables	-	-	-	(37,592)
Interest payable	-	-	(105)	-
Total liabilities	-	-	(105)	(37,592)

The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. 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 2017 £'000	31 December 2016 £'000
Financial assets at fair value through profit or loss	54,146	49,436
Cash and cash equivalents	-	2
Other receivables	673	472
Total	54,819	49,910

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Financial risk management (continued)

(c) Counterparty credit risk (continued)

All cash balances are held at The Bank of New York Mellon SA/NV, (the "Bank"). BNY Mellon Trust Company (Ireland) Limited (the "Custodian") acts as custodian for all cash. Funds held on behalf of the Company with the Custodian (or the Custodian's Global Sub-Custodian) will be maintained on deposit with the Custodian (or the Global Sub-Custodian) and in respect of that cash the Company will rank as a general creditor of the Custodian in the event of the Custodian's (or the Global Sub-Custodian's) insolvency.

The Company only transacts with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings assigned by international credit rating agencies. The Bank's and Custodian's parent company, The Bank of New York Mellon Corporation, has a Moody's long term credit rating of A1 (2016: A1).

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 Company is a wholly owned entity of BlackRock Renewable Finance (Dublin) Designated Activity Company. The ultimate parent undertaking and controlling party of the Company is considered to be the Fund.

In accordance with section 413 of the Companies Act 2006, for the purpose of the Companies Act disclosures, Directors mean the Board of Directors and any part Directors who were Directors during the relevant period. There was no compensation or additional benefits paid to any Director for its services for managing the Company or its subsidiaries for the financial year ended 31 December 2017 (2016: £Nil), other than as employees of BlackRock group.

No amounts have been written off in the financial year ended 31 December 2017 (2016: None) 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 table details the Company's related party transactions during the financial years ended 31 December 2017 and 31 December 2016:

As at 31 December 2017	BlackRock Renewable Finance (Dublin) Designated Activity Company £'000	BlackRock NTR Renewable Power Fund (Offshore Master), L.P. £'000
Statement of Comprehensive Income		
Interest expense	(1,460)	-
Statement of Financial Position		
Deposits and payables	(19,510)	(14,573)
Interest payable	(142)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Related party transactions (continued)

As at 31 December 2016	BlackRock Renewable Finance (Dublin) Designated Activity Company £'000	BlackRock NTR Renewable Power Fund (Offshore Master), L.P. £'000
Statement of Comprehensive Income		
Interest expense	(1,942)	-
Statement of Financial Position		
Deposits and payables	(22,298)	(15,294)
Interest payable	(98)	-

There were no loans, quasi loans, credit transactions or remuneration between the Company and its key management personnel or Directors for the financial year ended 31 December 2017 (2016: None).

14. Contingent liabilities

At 31 December 2017 and 31 December 2016, there are no contingent liabilities in place.

15. Subsequent events

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

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

16. Approval of financial statements

The Board of Directors approved the financial statements on 18 June 2018.