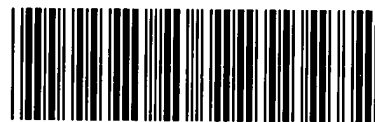


Company number 04897881

# PREMIER MITON GLOBAL RENEWABLES TRUST PLC

Annual report  
and accounts  
for the year ended  
31 December 2021

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**Premier Miton**  
INVESTORS

# Financial Calendar 2022

|                                   |                                                   |
|-----------------------------------|---------------------------------------------------|
| Company's year end .....          | 31 December                                       |
| Annual results announced .....    | March                                             |
| Annual General Meeting .....      | 28 April 2022                                     |
| Company's half year end .....     | 30 June                                           |
| Half year results announced ..... | August                                            |
| Dividend payments .....           | At the end of March, June, September and December |

[LSE's GREEN  
ECONOMY LOGO  
Graphic removed]

"Investors around the world are increasingly looking for exposure to rapidly growing environmental markets and the Green Economy Mark is a great signpost for such interest."

London Stock Exchange plc

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Cover photograph:

Gresham House Energy Storage Fund plc, Project Cleator Image © 2017 NEC Energy Solutions, Inc. – used with permission.

# Investment Objectives

The investment objectives of the Company are to achieve a high income from, and to realise long-term growth in the capital value of its portfolio. The Company seeks to achieve these objectives by investing principally in the equity and equity-related securities of companies operating primarily in the renewable energy sector, as well as other sustainable infrastructure investments.

## Company Summary

|                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group                                                                           | Premier Miton Global Renewables Trust PLC (the "Company") (formerly Premier Global Infrastructure Trust PLC), and its wholly-owned subsidiaries PGIT Securities 2020 PLC (in voluntary liquidation) and PMGR Securities 2025 PLC.                                                                                                                                                                                                                                                                                                                                                               |
| Capital Structure                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Ordinary Shares (1p each)                                                       | 18,238,480 (as at 7 March 2022)<br><br>The Ordinary Shares are entitled to all of the Company's net income available for distribution by way of dividends. On a winding-up, they will be entitled to any undistributed revenue reserves and any surplus assets of the Company after the Zero Dividend Preference Shares ("ZDPs"/"ZDP Shares") accrued capital entitlement and payment of all liabilities. The Ordinary Shareholders have the right to receive notice of, to attend and to vote at all general meetings of the Company. The Ordinary Shares are qualifying investments for ISAs. |
| Zero Dividend Preference Shares (1p each)<br>Issued by PMGR Securities 2025 PLC | 14,217,339<br><br>The 2025 ZDP Shares ("2025 ZDPs") will have a final capital entitlement of 127.6111p on 28 November 2025, equivalent to a gross redemption yield from the date of issue of 5.0% per annum, subject to there being sufficient capital in the Company. The 2025 ZDPs are qualifying investments for ISAs.                                                                                                                                                                                                                                                                       |
| Company Details                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Investment Manager                                                              | Premier Fund Managers Limited ("PFM Limited"), is a subsidiary of Premier Miton Group plc ("PMI Group"). PMI Group had £13.9 billion of funds under management at 31 December 2021. PFM Limited is authorised and regulated by the Financial Conduct Authority ("FCA"). The Company's portfolio is managed by James Smith. Premier Portfolio Managers Limited ("PPM") is the Company's Alternative Investment Fund Manager. PPM has delegated the portfolio management of the Company's portfolio of assets to PFM Limited.                                                                     |
| Management Fee                                                                  | 0.75% per annum of the gross assets under management, charged 40% to revenue and 60% to capital.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

# Company Highlights

for the year to 31 December 2021

|                                                                                                     | 31 December<br>2021 | 31 December<br>2020 | % change |
|-----------------------------------------------------------------------------------------------------|---------------------|---------------------|----------|
| <b>Total Return Performance</b>                                                                     |                     |                     |          |
| Total Assets Total Return <sup>1#</sup>                                                             | 19.8%               | 16.5%               |          |
| S&P Global Clean Energy Index <sup>2</sup> (GBP)                                                    | (22.5%)             | 135.3%              |          |
| Ongoing charges <sup>3#</sup>                                                                       | 1.65%               | 1.76%               |          |
| <b>Ordinary Share Returns</b>                                                                       |                     |                     |          |
| Net Asset Value per Ordinary Share (cum income) <sup>4</sup>                                        | 210.60p             | 173.48p             | 21.4%    |
| Mid-market price per Ordinary Share <sup>2</sup>                                                    | 196.50p             | 157.50p             | 24.8%    |
| Discount to Net Asset Value <sup>#</sup>                                                            | (6.7%)              | (9.2%)              |          |
| Revenue return per Ordinary Share                                                                   | 7.43p               | 9.32p               | (20.3%)  |
| Net dividends declared per Ordinary Share                                                           | 7.00p               | 10.20p              | (31.4%)  |
| Net Asset Value Total Return <sup>5#</sup>                                                          | 26.5%               | 29.5%               |          |
| Share Price Total Return <sup>2#</sup>                                                              | 30.7%               | 31.0%               |          |
| <b>2025 Zero Dividend Preference Share Returns</b>                                                  |                     |                     |          |
| Net Asset Value per Zero Dividend Preference Share <sup>4</sup>                                     | 105.44p             | 100.43p             | 5.0%     |
| Mid Market Price per Zero Dividend Preference Share <sup>2</sup>                                    | 107.50p             | 103.50p             | 3.9%     |
| Premium                                                                                             | 2.0%                | 3.1%                |          |
| <b>Hurdle Rates<sup>6#</sup></b>                                                                    |                     |                     |          |
| Ordinary Shares                                                                                     |                     |                     |          |
| Hurdle rate to return the share price of 196.50p (2020: 157.50p) at 28 November 2025                | 0.7%                | 0.9%                |          |
| Zero Dividend Preference Shares                                                                     |                     |                     |          |
| Hurdle rate to return the redemption share price for the 2025 ZDPs of 127.6111p at 28 November 2025 | (23.1%)             | (16.2%)             |          |
| <b>Balance Sheet</b>                                                                                |                     |                     |          |
| Gross Assets less Current Liabilities                                                               | £53.4m              | £45.7m              | 17.0%    |
| Zero Dividend Preference Shares                                                                     | (£15.0m)            | (£14.3m)            | (5.0%)   |
| Equity Shareholders' Funds                                                                          | £38.4m              | £31.4m              | 22.4%    |
| Gearing <sup>7#</sup>                                                                               | 39.0%               | 45.5%               |          |
| Zero Dividend Preference Share Cover (non-cumulative) <sup>8#</sup>                                 | 2.74x               | 2.32x               |          |

<sup>#</sup> Alternative performance measure ("APM"). See Glossary of Terms for definitions and Alternative Performance Measures on page 76.

<sup>1</sup> Source: PFM Limited. Based on opening and closing total assets plus dividends marked "ex-dividend" within the period.

<sup>2</sup> Source: Bloomberg.

<sup>3</sup> Ongoing charges have been based on the Company's management fees and other operating expenses as a percentage of average gross assets less current liabilities over the year (excluding the ZDPs accrued capital entitlement).

<sup>4</sup> Articles of Association basis.

<sup>5</sup> Source: PFM Limited. Based on opening and closing NAVs with dividends marked "ex-dividend".

<sup>6</sup> Source: PFM Limited. Hurdle rate definition can be found in the Glossary of Terms and Alternative Performance Measures on page 77.

<sup>7</sup> Source: PFM Limited. Based on Zero Dividend Preference Shares divided by Ordinary Shareholders' Equity at the end of each year.

<sup>8</sup> Source: PFM Limited. Non-cumulative cover = Gross assets at year end divided by final repayment of ZDPs plus management charges to capital.

# Dividend and Share Price Performance

## **Five year dividend chart 2017-2021**

[GRAPHIC REMOVED]

## **Ordinary Shares five year performance chart (rebased to 100)**

[GRAPHIC REMOVED]

## **ZDP Shares performance chart<sup>†</sup> (since issuance)<sup>†</sup> (rebased to 100)**

[GRAPHIC REMOVED]

<sup>†</sup>The 2025 ZDP Shares were issued on 30 November 2020 and performance is shown from the date of issue

# Chairman's Statement

for the year to 31 December 2021

## Introduction

2021 was a year of consolidation for the Premier Miton Global Renewables Trust PLC (the "Trust" / "PMGR") following the change of investment policy, change of name, and the refinancing of ZDP shares in late 2020. I am pleased to report that performance has remained strong in this first full year of the new renewable energy focused portfolio, with shareholders receiving a high return, at a similar level to that in 2020. The total return on net

[GRAPHIC REMOVED]

Gillian Nott OBE – Chairman

assets to ordinary shareholders, including dividends, was 26.5% (2020: 29.5%). The NAV per Ordinary Share increased by 21.4% to close the year at 210.60p. Based on the share price, ordinary shareholders saw a total return including dividends of 30.7% (2020: 31.0%):

ZDP shareholders have likewise benefitted from improved asset cover.

The global economy remains under a degree of restriction, although this is less stringent than that seen in 2020. However, while Covid risks have diminished, geopolitical risks increased sharply in the early part of 2022, with the Russian invasion of Ukraine. I am sure all shareholders will share my horror at this unjustified attack on a sovereign nation state, and the resulting humanitarian crisis. Our thoughts are with the people of Ukraine, and we hope for a swift resolution to this needless conflict.

The portfolio has no direct Russian investments, although it has one investment, Finnish nuclear and hydro generator Fortum, which has material assets in Russia. Fortum's share price fell heavily in response to the invasion, and the Manager has reacted by reducing the holding substantially.

It is difficult to assess the full economic impacts at this stage, however unless there is a negotiated and peaceful resolution, these are likely to be with us for many years. We anticipate heightened volatility in both equity and commodity markets, with the possibility of substantially higher energy prices. Further, we believe that the war in Ukraine will increase global inflationary pressures.

It is clear that current levels of inflation are entirely inconsistent with existing levels of interest rates. The financial markets expect inflation to moderate in 2022, and consistent with this, central banks have signalled a very gradual normalisation of monetary policy. Should this scenario prove to be optimistic, with inflation remaining at higher than targeted levels, it is likely that interest rates will need to be increased at a faster pace than currently

indicated. The reaction of bond markets and the potential for higher yields is thus perhaps the key economic risk faced by equity markets in 2022. This may also change the pattern of returns within equity markets, with value sectors likely to out-perform growth in such a scenario.

## Performance

The total assets total return, measuring the return on the portfolio including all income and costs, was 19.8% (2020: 16.5%).

Whilst the portfolio performance measured at the total assets level was ahead of that achieved in 2020, the net asset return was slightly below. This results from the refinancing in November 2020 of the Trust's ZDP shares, on a substantially smaller scale, and consequent lower level of gearing during 2021 within PMGR's structure.

As noted, in October 2020, shareholders approved a change in the Trust's investment policy whereby the previous focus on energy and water, as well as other infrastructure sectors, was replaced by the new policy to invest in the renewable energy and other sustainable infrastructure sectors. Consequently, following a review, the Board has decided to change the Trust's performance benchmark from the FTSE Global Core Infrastructure 50/50 Index to the S&P Global Clean Energy Index (the "Index"). In future we will also refrain from directly quoting or disclosing any indices other than the S&P Clean Energy Index in order to be as cost efficient as possible. Whilst far from an exact match to PMGR's portfolio, as explained below, we feel that this index is, for the moment, the best we can use to compare how we are performing within the "green economy". We will keep this matter under review.

PMGR's portfolio is differentiated from the Index, as the Trust remains primarily an infrastructure investor, with an emphasis on contracted and regulated underlying revenues. PMGR focusses its investments on companies that own renewable energy generation facilities, and other associated infrastructures such as energy storage and electricity transmission grids. The Index, while also containing these companies, has exposure to industrial sectors such as companies manufacturing renewable energy equipment, for instance wind turbines and solar panels. The Index also has material weightings to more "tech" oriented areas such as semiconductors and hydrogen. The Trust has only marginal exposure to these companies.

PMGR's performance can therefore be expected to be rather different from that of the Index in any given year. In 2021, the first year of comparison to the new Index, I am pleased to report that PMGR's total assets total return was over 40% ahead of the Index, which recorded a negative return in sterling of 22.5%.

This out-performance is a result of several factors. Firstly, while approximately half of holdings fell in value during the year, in what was a generally weak market for renewable energy shares, this

# Chairman's Statement continued

was more than offset by very strong performances among some of the portfolio's larger holdings. In particular, the larger Chinese investments recorded very strong gains, as did a number of the UK and European investments. The Manager's stock selection, particularly among the portfolio's larger positions, worked well in the year. Secondly, as noted above, the Index has high weightings to technology and equipment manufacturing, neither of which performed particularly well. This may be a hangover from an exceptional 2020, as well as from cost pressures on raw materials acting to reduce margins. Thirdly, the out-performance in the final quarter was particularly marked, and we can attribute much of this to the market rotating out of more highly rated growth and into more value-oriented investments. This move favoured the Trust but was to the detriment of the Index.

Comparing to markets more generally, the portfolio was approximately in line with the global equity market. This is a solid result considering the very sharp under-performance of the renewable and clean energy sector.

## Portfolio positioning

Investment activity in 2021 was substantially lower than in the prior year, which was led by 2020's portfolio and capital structure changes.

During the year, the Manager partially divested from US yield companies (renewable companies which buy constructed assets and then hold them for the long term paying out the majority of cash-flow to investors as a dividend), which typically have very long fixed price contracts making their valuations more sensitive to changes in interest rates. Investment in the UK, which is now the portfolio's largest geographic exposure, has increased as the Manager sought to take advantage of the high power price environment; – UK renewable companies have higher than average exposure to power prices.

Emerging market exposure remains modest, and is focused mainly on China, which benefits from a combination of high growth, a stable regulatory environment, and attractive valuations. Exposure to China increased in the year, as investment gains more than offset any disposals from the portfolio.

The portfolio retains a small exposure to Indian coal generator OPG Power Ventures, although at a much reduced level following ongoing sales throughout the year as well as a lower share price. This is classed as "Liquidation Portfolio" within the segmental allocation, which will be disposed of over time whenever it is opportune to do so.

## Capital structure, Gearing, and ZDP Shares

Following the good performance, Gearing fell from 45.5% at December 2020 to 39.0% at December 2021. Also having a beneficial effect on Gearing was the issuance of 150,000 new Ordinary Shares in February and April, accounting for 0.8% of the enlarged number of shares in issue. The Ordinary Shares were

issued at a premium to their Net Asset Value, avoiding dilution to existing shareholders.

The Trust's ZDP Shares continued to trade at a slight premium to their accrued Net Asset Value, benefitting from increased Cover, which rose from 2.32x at December 2020 to 2.74x at December 2021. No new ZDP Shares were issued during the year. Note that "Gearing" and "Zero Dividend Preference Share Cover" are Alternative Performance Measures; please see pages 76 to 80 for definitions and calculations.

## Income and dividends

As a result of the new 2025 ZDP Share issue being substantially smaller than the ZDP Share that matured in November 2020, a net repayment of £16.0 million was made in November 2020. As explained in last year's annual report, this reduced the overall size of the Company and hence the income generating capacity, so leading to reduced net income during 2021.

Revenue Return per Ordinary Share in 2021 was 7.43p, a reduction of 20.3% on 2020, and is broadly consistent with the reduction in portfolio size offset to a smaller extent by underlying dividend growth.

In February 2021, following a review, the Board indicated that it expected sufficient 2021 revenue earnings to support a dividend of at least 7.0p per share. In line with this, your Board declared three interim dividends for 2021 of 1.75p per Ordinary Share during the year. The Board has now declared a fourth interim dividend of 1.75p, to bring the total dividend for the year to 7.0p, fully covered by revenue earnings. This represents a reduction of 3.20p, or 31.4% on the 10.20p dividend paid in respect of 2020. The fourth interim dividend will be paid on 31 March 2022 with the shares to be marked ex-dividend on 10 March 2022.

While we understand that shareholders may be disappointed with a lower dividend, it should be understood that this is offset by lower financing charges from a reduced ZDP issue size, equivalent to a saving of £0.61 million or 3.3p per Ordinary Share in 2021 as compared to 2020. ZDP finance costs are taken against capital, so of themselves, do not affect the level of revenue earnings. Underlying income from the portfolio remains healthy.

## Shareholder relations

The Company's AGM will be held on 28 April 2022 at the offices of Premier Fund Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE, at 12.15p.m. when a presentation will be given. Attending shareholders will also have the opportunity to meet the Board and Manager.

Shareholders can find additional details regarding your Company, including factsheets and articles on topics relating both to the renewables sector and to the Company, on Premier Miton's website at: [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com).

# Chairman's Statement continued

## Environmental, Social, Governance

Given the change of investment policy in 2020, ESG is an ever-more integral part of the Manager's approach to running the portfolio. Further, Premier Miton is a signatory to the Principles for Responsible Investment, an organisation that assists signatory firms develop and maintain responsible investment practices.

By its very nature the Trust's portfolio has strong environmental credentials. The portfolio consists of companies generating renewable electricity in the form of wind, solar, biomass, and hydro together with other technologies that have positive environmental outcomes such as waste to energy. It also contains companies operating infrastructure such as electricity transmission and battery storage, which are essential for the delivery and management of renewably-generated power.

The Trust's Manager engages with investee companies in order to promote good governance and encourage responsible social policies. The Manager always votes at shareholder meetings of investee companies.

As I have mentioned above, there is one remaining legacy holding which does not comply with the new investment policy, Indian coal fired power generator OPG Power Ventures. This represented 1.3% of the portfolio at December 2021. The Manager will seek to exit this position over time, subject to market trading volumes.

## Outlook

Your Company's portfolio faces a combination of both tailwinds and headwinds in coming years.

On the positive side are the established long-term trends working in its favour, in particular the electrification of the global economy whereby electricity increasingly displaces the use of fossil fuels in heating, transportation and industrial processes. In addition, a combination of policy and cost factors should ensure that renewably-generated electricity continues to increase its market share over electricity generated using fossil fuels.

2021 has seen a significant increase in the cost of fossil fuels used to generate electricity. Of most concern to Europeans is the significant increase in the price of gas, which has in turn driven up electricity prices, and thereby further increased the cost advantages of renewable generation. The cost of carbon emissions has also risen, and carbon pricing is being mandated in new locations including the US and China. While fossil fuel prices may pull back over the next few years, we believe carbon pricing will become the main tool by which the external cost of fossil fuels is recognised, and this has positive implications for growth in the renewable energy sector.

The main headwinds we expect in 2022, in common with the rest of the market, are the ending of ultra-accommodating monetary policy, and increasing interest rates. Markets already assume higher rates, but in the event that rates are required to increase at a faster pace on the back of stubbornly higher

inflation, then it is possible that both equity and bond markets could face difficulties.

Having said this, given the very high levels of government debt around the world, we think central banks will have little option but to ensure that real yields remain negative, with inflation ahead of nominal rates. This will be a positive background for equity investment.

Politically and economically, China looks to be a higher risk than it has been for some time. The property sector is over-extended and its domestic economy appears to be slowing. In addition, its underlying environmental problem of an over-reliance on fossil fuels could become a future financial headache as its export destinations begin to impose carbon border adjustment tariffs on its exports. We expect therefore that China's renewable energy sector will remain attractive; however, this is an area your Board and Manager will keep under review.

The Russian invasion of Ukraine has caused a sharp increase in market volatility. Despite this, I believe that the portfolio is relatively well placed in comparison to equity markets generally. Renewable energy should see political goodwill as, being a domestic source of energy, it enhances security of supply. However, should energy prices become uncomfortably high, there is a danger of direct political intervention. The Manager and Board are monitoring the situation with the aim of keeping risk within appropriate levels, while at the same time being responsive to investment opportunities.

Overall, we feel that the number of attractive investment opportunities in the renewable energy sector will continue to grow, and that prospects for the Company therefore remain encouraging.



**Gillian Nott OBE**

Chairman

8 March 2022



# Investment Manager's Report

for the year to 31 December 2021

## Performance overview

PMGR's portfolio performed very well in 2021, producing a strong return for shareholders. The Total Assets Total Return was 19.8%, taking into account all operating and trading costs.

Notwithstanding the Trust's performance, it was not a good year for renewable and clean energy investment. The euphoria seen in the second half of 2020 gave way to concerns over increased interest rates and bond yields, which hurt the more richly valued clean technology areas. Higher commodity prices pushed up costs for equipment manufacturers, such as the wind turbine companies, putting pressure on margins.

Fortunately, your Company has relatively little exposure to these issues, and the portfolio remains predominantly based on infrastructure rather than capital goods or technology. Performance was strong as the portfolio benefitted from continued underlying growth, together with higher energy prices giving a boost to those generators having market exposure for their electricity generation.

Over the course of the year, PMGR's performance, noted above, was 42.3% ahead of the S&P Global Clean Energy Index which returned a negative 22.5% (*Source: Bloomberg, GBP adjusted*).

## Market review

While the sector's performance may have been weak, the underlying growth drivers for clean and renewable energy remain very strong.

However, perhaps the most significant development over 2021 was the sharp increase in energy prices, and in particular natural gas. International gas prices rose as the global economy re-opened, combined with higher demand in Asia and especially China. Further, European gas imports during summer were insufficient to replenish storage to desired levels for winter. The UK imports approximately half its natural gas needs, exposing it to movements in international prices therefore.

Not only does this increase costs for users of gas, it also leads to higher electricity prices as in many places, and in particular Europe, gas generation is predominantly responsible for setting the price of electricity.

This was seen clearly in the UK, where wholesale electricity prices increased by 210.0% from £67.75/MWh in December 2020 to £210.00/MWh in December 2021 (*Source Bloomberg, baseload forward one month*). Europe experienced similar increases, but the US much less so as it has abundant domestic gas resources.

Power market forecasters assume that the low cost of generating electricity from renewable sources will lead to lower electricity prices over the long-term. However, in the short term at least, the revenues available to those renewable generators with power market exposure have increased. Those that sell under long-term

fixed price contracts, which is in fact the most common model for selling renewably generated power, will not see much of a benefit.

Another positive development in the year is the increase in the price of carbon emissions. European carbon allowances rose 144.8% from Euro 32.94/tonne at December 2020 to Euro 80.65/tonne by December 2021. Fossil fuel generators pay for the carbon emitted when generating electricity and electricity prices therefore reflect higher carbon prices. Renewable generators are able to benefit from the higher price of carbon without bearing the higher emission cost.

The costs of generating renewable energy have fallen steadily over recent years. Unfortunately increased commodity prices, plus higher shipping and construction costs, mean that this trend will, in all probability, prove to have stalled in 2021. However, we expect that stronger electricity prices will enable new installations to offset higher capital costs and maintain targeted investment returns.

Finally, renewable energy remains well placed politically. The COP26 conference, held in November, resulted in 90% of global GDP now being covered by a commitment to net zero carbon emissions. The associated policies to accelerate the transition away from the use of fossil fuels, and toward increased electricity use (either directly or indirectly through an energy carrier such as hydrogen), implies a substantial increase in renewable electricity generation for years to come.

## Portfolio segmentation

The Trust seeks to offer investors a diversified global exposure to renewable and sustainable infrastructure. This differentiates the Trust from many other clean energy investment funds, including exchange-traded funds, which often have a more technology-oriented profile. We believe that focussing on mainly contracted and regulated infrastructure investments offers an attractive risk / reward dynamic for long-term investment, offering high visibility of earnings and dividends.

The portfolio has a wide exposure to differing sub-sectors, aiming to invest not just in wind and solar assets, but in the full energy production and delivery value chain, including energy storage, electricity transmission networks and utilities that own high quality renewable energy businesses.

One important distinction we make is to segment renewable energy companies into two broad categories. Renewable energy developers plan, construct, and then own and operate renewable assets. Alternatively yield companies ("yieldcos"), acquire existing renewable assets. Developers tend to retain a higher portion of cash flows for reinvestment, and sometimes recycle capital through asset sales. Yieldcos by contrast, pay out the majority of cash flows generated as a dividend, raising new capital to acquire assets as required.

# Investment Manager's Report continued

## PORTFOLIO SECTOR CLASSIFICATION 2021

|                                           | 2021   | 2020   |
|-------------------------------------------|--------|--------|
| Renewable energy developers               | 28.64% | 20.11% |
| Yieldcos & funds                          | 25.69% | 31.89% |
| Renewable focused utilities               | 14.58% | 11.90% |
| Biomass generation and production         | 7.30%  | 10.46% |
| Energy storage                            | 6.90%  | 4.72%  |
| Waste to energy                           | 6.55%  | 5.33%  |
| Electricity networks                      | 5.03%  | 4.21%  |
| Renewable technology and service          | 2.79%  | 4.66%  |
| Liquidation portfolio                     | 1.32%  | 3.15%  |
| Carbon markets                            | 1.20%  | 0.52%  |
| Renewable financing and energy efficiency | 0.00%  | 3.04%  |

Renewable energy developers offer potentially higher returns as they take on development and construction risk. Yieldcos prefer to remove these by acquiring recently constructed projects and then financing and operating them as efficiently as possible. They forgo developer margin in return for greater visibility and the benefit of having their entire capital invested in productive assets.

### Renewable Energy Developers

The Trust's investment in renewable energy developers was successful in the year, and at the end of the year was the portfolio's largest segmental exposure. In particular, the Chinese renewable companies were exceptionally strong. **China Suntien Green Energy** increased its renewable output by 36.5% during 2021, and recorded a 67.2% increase in attributable earnings for the first six months of the year. Suntien's share price responded well, gaining 155.5%, and was the Trust's largest holding by the year end. Likewise, **China Longyuan Power**, which is a larger, more mature business, recorded strong, if less spectacular, growth in wind energy generation of 17.4% in 2021 with an increase in attributable earnings of 36.3% recorded for the first half. Its share price gained 134.2% in 2021.

We would be surprised to see such strong share price movements repeated in 2022, but we expect to see continued growth. Declining capital costs mean that Chinese renewable investment is now made on a subsidy free basis, and with China still heavily reliant on coal, we expect policy to remain supportive. Industry consultant Bloomberg New Energy Finance believes that by 2030 China will have cumulative wind capacity more than three times the size of the USA, being the next largest market.

In Europe, **RWE** has made excellent progress on its transmission from an operator of mainly fossil fuel plants, to being a high growth renewables company. In November, RWE announced an

intention to invest Euro 50 bn. (pre any divestments of assets) on new renewable energy assets out to 2030, giving investors a highly visible growth path. RWE's shares gained 3.3% during the year.

Spain-based global renewables developer **Acciona** completed the separate listing of a minority stake in renewable energy business, Acciona Energia. We elected to remain invested in the parent given the valuation discount implied by the renewables subsidiary. Renewables still account for the vast majority of Acciona's value, with the remainder made up of infrastructure concessions plus a minority stake in wind turbine manufacturer Nordex. Like RWE, Acciona has ambitious growth plans, aiming to grow its generation capacity threefold by 2030. Acciona's shares gained 44.0% in 2021.

Following an exceptional 2020, global renewable developer **Northland Power's** shares fell 16.9% with the company seeing lower wind speeds and reduced output. Northland has several large European and Asian offshore wind projects under development, which should drive strong growth over next few years. During the year, we built a new position in Spanish-listed global solar developer **Grenergy**, which has a substantial growth pipeline in Europe and Latin America. Grenergy's shares fell by 25.3% in 2021, although the timing of the investment meant PMGR's stake was only 3.6% below book value at the year-end.

### Yieldcos and Funds

The Trust's investments in renewable energy yield companies, so successful in 2020, were far weaker in 2021. Their highly contracted and visible revenues makes them, in market parlance, "bond-proxies", and they were out of favour from the prospect of rising inflation and higher interest rates. Weaker performance coupled with net divestment meant that the portfolio's exposure to yieldcos fell from almost 32% at December 2020 to a little under 26% by the end of 2021.

## Investment Manager's Report continued

In light of the changing economic circumstances during the year, we sold down US-listed investments and re-invested the proceeds into the UK. The revenue structure of most UK renewable yield companies is different from those of their US counterparts. In the UK, most on-shore assets receive an index-linked renewable obligation certificate, commonly known as a "ROC", but are free to sell their power generation however they see fit. Most contract for a few years in advance, but retain an underlying exposure to future pricing, and also nearer-term if their offtake contracts are of a shorter duration. In the US and much of Europe, renewable assets usually sell all their power at pre-determined long-term prices. This may be to a local utility in the US or via a government feed in tariff in Europe, or more commonly of late, through a long-term contract with a corporate purchaser.

Thus, the UK renewable energy funds have an attractive inflation linkage, which should work well in the current environment. They also have a higher than average exposure to power markets, which have increased sharply as noted above. We believe that higher prices may last longer than anticipated. However, the UK funds, which produce regular net asset values on a per share basis,

continue to reflect expectations of substantially lower long-term electricity prices.

**Greencoat UK Wind**, which invests in both on and offshore wind projects, became the largest holding in the segment by the end of the year. Its sales contracts are short-term in duration, and it should therefore benefit from higher electricity pricing. However, given subdued long-term electricity forecasts, its NAV and share price, were relatively muted, with the shares gaining 4.9%. Also in the UK, the position in the **NextEnergy Solar Fund**, which yields 7%, was increased as we believe it will also benefit from higher than forecast long-term electricity prices.

In the US, **Atlantica Sustainable Infrastructure's** shares fell 5.8%, offset by a **Clearway Energy (A)** shares, which gained 13.3%. Asset growth at Clearway made up for relatively weak US renewable generation on lower wind speeds in 2021. We reduced substantially the position in **Transalta Renewables**, which was the Trust's second largest holding at December 2020. Transalta's shares fell by 13.8% on a combination of weaker output and the prospect of higher yields.

### PORTFOLIO GEOGRAPHICAL ALLOCATION

|                       | 2021   | 2020   |
|-----------------------|--------|--------|
| United Kingdom        | 27.92% | 20.73% |
| China                 | 19.11% | 14.12% |
| Global                | 19.10% | 17.59% |
| Europe (excluding UK) | 17.74% | 16.52% |
| North America         | 12.66% | 26.22% |
| Latin America         | 2.14%  | 1.68%  |
| India                 | 1.33%  | 3.15%  |

### PORTFOLIO MARKET CLASSIFICATION PROFILE

|                            | 2021  | 2020  |
|----------------------------|-------|-------|
| Large Cap (> £10bn)        | 24.9% | 17.4% |
| Medium Cap (£2bn to £10bn) | 44.6% | 40.9% |
| Small Cap (£250m to £2bn)  | 20.9% | 23.1% |
| Micro Cap (< £250m)        | 9.6%  | 18.6% |

# Investment Manager's Report continued

## Other segments

Within Renewable Focused Utilities, Finnish nuclear and hydro utility **Fortum** performed well. Fortum's shares gained 37.0% on the back of higher electricity and carbon prices. SSE's share price increased by 9.9% as it was the subject of speculation regarding a break up of its regulated utility and renewable divisions (a move we believe would be detrimental at the present time). In North America, **Algonquin Power & Utilities'** share price fell 12.8% despite encouraging financial results.

In the biomass segment, **Drax Power** delivered an exceptional 61.3% gain in its share price. Drax expanded its upstream pellet business with the acquisition of Canadian biomass pellet producer **Pinnacle Renewable Energy**, which was also owned in the fund. Drax should be another beneficiary of higher power prices. Further Drax has the prospect of "negative carbon emissions" through its plans for carbon capture and storage. Within the energy transmission segment, **National Grid's** shares gained 22.5%. The company is in the process of divesting gas transportation assets, and expanding into electricity distribution, a move that we support.

Long-term holding, Chinese waste to energy company **China Everbright Environment**, again recorded exceptional growth and strong earnings. Unlike previous years, its shares responded positively, gaining 42.9%.

## PORTFOLIO CONCENTRATION

|                        | 2021   | 2020   |
|------------------------|--------|--------|
| 10 largest investments | 52.53% | 49.81% |
| 11th to 20th           | 27.88% | 30.95% |
| 21st to 30th           | 12.56% | 13.56% |
| 30th onwards           | 7.03%  | 5.68%  |

The Energy Storage segment performed well delivering a combination of capital growth and a high level of income. The largest holding, the **Gresham House Energy Storage Fund**, saw its shares gain 16.0%.

Finally, the Trust's technology shares, **Ocean Sun**, which has a floating solar technology, and **Fusion Fuels**, which produces hydrogen directly from solar, after delivering strong returns in 2020, performed poorly. Their shares fell 67.0% and 55.1% respectively. We believe this reflects market trends rather than the businesses themselves, both appear to be on track with their respective development plans.

## Currency and hedging

The Trust made currency hedging gains of £0.4 million over the year. With Euro area monetary policy likely to remain loose compared to the UK and the US, we believe the main currency risk in the early part of 2022 is the Euro. We aim to have sterling exposure, through either investment or hedging back FX denominated assets into sterling, of at least equal to the size of the ZDP share issue, such that the Trust does not run a geared short sterling position. No equity market hedging was undertaken in the year.

## Outlook

The portfolio has now seen three consecutive years of very strong returns. We believe the move to a dedicated renewable energy strategy has opened up new investment opportunities, having the potential to offer further performance in coming years.

As ever, we seek balanced returns including both income and growth oriented investments. While the majority of underlying portfolio revenue will remain generated from contracted and regulated investments, opportunities now exist, we believe, to generate additional returns through accepting some merchant pricing risks through a limited number of holdings.

Higher interest rates remain a risk. However, recent share price movements seen in several holdings already appear to have discounted substantially higher yields. Earnings growth remains robust, and this should in turn lead to higher dividend income over time.

**James Smith**  
Premier Fund Managers Limited  
8 March 2022

# Investment Portfolio

at 31 December 2021

| Company                                   | Activity                          | Country         | Value<br>£000 | % total<br>Investments | Ranking<br>2021 | Ranking<br>2020 |
|-------------------------------------------|-----------------------------------|-----------------|---------------|------------------------|-----------------|-----------------|
| China Suntien Green Energy                | Renewable energy developers       | China           | 4,024         | 7.6                    | 1               | 6               |
| China Everbright Environment              | Waste to energy                   | China           | 3,454         | 6.5                    | 2               | 3               |
| Drax Group                                | Biomass generation and production | United Kingdom  | 3,146         | 6.0                    | 3               | 4               |
| RWE                                       | Renewable energy developers       | Europe (ex. UK) | 2,849         | 5.4                    | 4               | 13              |
| National Grid                             | Electricity networks              | Global          | 2,650         | 5.0                    | 5               | 9               |
| Greencoat UK Wind                         | Yieldcos & funds                  | United Kingdom  | 2,611         | 4.9                    | 6               | 23              |
| NextEnergy Solar Fund                     | Yieldcos & funds                  | United Kingdom  | 2,434         | 4.6                    | 7               | 21              |
| Fortum                                    | Renewable focused utilities       | Europe (ex. UK) | 2,266         | 4.3                    | 8               | 12              |
| Algonquin Power and Utilities             | Renewable focused utilities       | North America   | 2,135         | 4.0                    | 9               | 5               |
| Atlantica Sustainable Infrastructure      | Yieldcos & funds                  | Global          | 2,112         | 4.0                    | 10              | 1               |
| China Longyuan Power                      | Renewable energy developers       | China           | 2,066         | 3.9                    | 11              | 15              |
| Gresham House Energy Storage Fund         | Energy storage                    | United Kingdom  | 1,943         | 3.7                    | 12              | 10              |
| Clearway Energy 'A'                       | Yieldcos & funds                  | North America   | 1,730         | 3.3                    | 13              | 8               |
| Acciona                                   | Renewable energy developers       | Europe (ex. UK) | 1,623         | 3.1                    | 14              | 17              |
| SSE                                       | Renewable focused utilities       | United Kingdom  | 1,483         | 2.8                    | 15              | 7               |
| Grenergy Renovables                       | Renewable energy developers       | Global          | 1,261         | 2.4                    | 16              | –               |
| TransAlta Renewables                      | Yieldcos & funds                  | North America   | 1,182         | 2.2                    | 17              | 2               |
| Foresight Solar Fund                      | Yieldcos & funds                  | United Kingdom  | 1,166         | 2.2                    | 18              | –               |
| Iberdrola                                 | Renewable focused utilities       | Global          | 1,136         | 2.2                    | 19              | –               |
| Northland Power Income Fund               | Renewable energy developers       | Global          | 1,105         | 2.1                    | 20              | 19              |
| Harmony Energy Income Trust               | Energy storage                    | United Kingdom  | 990           | 1.9                    | 21              | –               |
| New Energy Solar                          | Yieldcos & funds                  | North America   | 801           | 1.5                    | 22              | 5               |
| MPC Energy Solutions                      | Yieldcos & funds                  | Latin America   | 768           | 1.5                    | 23              | –               |
| Gore Street Energy Storage Fund           | Energy storage                    | United Kingdom  | 705           | 1.3                    | 24              | 33              |
| OPG Power Ventures                        | Liquidation portfolio             | India           | 693           | 1.3                    | 25              | 14              |
| Avangrid                                  | Renewable focused utilities       | North America   | 662           | 1.3                    | 26              | 30              |
| Greencoat Renewable                       | Yieldcos & funds                  | Europe (ex. UK) | 559           | 1.1                    | 27              | 27              |
| China Everbright Greentech                | Biomass generation and production | China           | 528           | 1.0                    | 28              | 26              |
| Eneti                                     | Renewable technology and service  | Global          | 474           | 0.9                    | 29              | –               |
| 7C Solarparken                            | Renewable energy developers       | Europe (ex. UK) | 435           | 0.8                    | 30              | 38              |
| Seaway 7                                  | Renewable technology and service  | Global          | 392           | 0.7                    | 31              | 34              |
| Omega Energia                             | Renewable energy developers       | Latin America   | 360           | 0.7                    | 32              | 25              |
| Fusion Fuel Green (incl. warrants)        | Renewable technology and service  | Europe (ex. UK) | 356           | 0.7                    | 33              | 28              |
| SparkChange Physical Carbon               | Carbon markets                    | Europe (ex. UK) | 333           | 0.6                    | 34              | –               |
| Enefit Green                              | Renewable energy developers       | Europe (ex. UK) | 331           | 0.6                    | 35              | –               |
| KS Global Carbon Strategy                 | Carbon markets                    | Global          | 301           | 0.6                    | 36              | 37              |
| Ocean Sun                                 | Renewable technology and service  | Global          | 247           | 0.5                    | 37              | 18              |
| Solaria Energía y Medio Ambiente          | Renewable energy developers       | Europe (ex. UK) | 244           | 0.5                    | 38              | 24              |
| Atrato Onsite Energy                      | Renewable energy developers       | United Kingdom  | 236           | 0.4                    | 39              | –               |
| Scatec                                    | Renewable energy developers       | Global          | 217           | 0.4                    | 40              | –               |
| Bonheur                                   | Renewable energy developers       | Europe (ex. UK) | 181           | 0.4                    | 41              | –               |
| Pacifico Renewables                       | Yieldcos & funds                  | Europe (ex. UK) | 172           | 0.3                    | 42              | 35              |
| Albioma                                   | Biomass generation and production | Global          | 171           | 0.3                    | 43              | –               |
| Innervex Renewable                        | Renewable energy developers       | North America   | 162           | 0.3                    | 44              | 36              |
|                                           |                                   |                 | 52,694        | 99.8%                  |                 |                 |
| Unquoted                                  | Activity                          | Country         | Value<br>£000 | % total<br>Investments |                 |                 |
| PMGR Securities 2025 PLC                  | ZDP subsidiary                    | United Kingdom  | 50            | 0.1                    |                 |                 |
| PGIT Securities 2020 PLC (in liquidation) | ZDP subsidiary                    | United Kingdom  | 50            | 0.1                    |                 |                 |
| Total investments                         |                                   |                 | 52,794        | 100.0%                 |                 |                 |

# Review of Top Ten Holdings

at 31 December 2021

## 1. China Suntien Green Energy

**Market cap: £5.1 billion**

**[www.suntien.com](http://www.suntien.com)**

China Suntien develops and owns renewable energy assets and operates a natural gas distribution business, both centred on its home region of Hebei in Northern China. It has, however, expanded its renewables business nationally over recent years. In the first half of 2021, Suntien recorded a net profit increase of 67.2%, with 81.2% of earnings coming from renewable energy. Growth has been strong in recent years, with wind power generation increasing by 11.9% in 2020 and by 36.5% in 2021. Growth in 2021 was higher than would normally be expected, resulting from high wind speeds and the build out of new assets in 2020 to take advantage of the final qualification year for China's renewable energy tariffs. This reflects the fact that renewables are now at, or below, cost parity with other forms of electricity generation in China, and new assets now sell power based on local grid and market pricing. We expect growth to moderate but remain high. Gas volumes have also been very strong, up 8.9% in 2020 and 13.6% in the first half of 2021. Suntien's share price increased by 155.5% in 2021.

## 2. China Everbright Environment

**Market cap: £3.7 billion**

**[www.cebenvironment.com](http://www.cebenvironment.com)**

China Everbright Environment is a leading waste-to-energy and wastewater treatment company operating in mainland China, which has delivered strong growth over several years as China seeks to reduce waste volumes being sent to landfill. During 2020, it managed to increase waste volumes treated by 36.1% and electricity production by 41.7%. During the first half of 2021, it recorded a further 37.0% growth in waste volumes, and 42.4% growth in electricity generated. In addition to its core waste treatment business, it also controls separately-listed subsidiaries specialising in wastewater treatment and biomass electricity generation. The increased business volumes allowed the company to deliver improved profits, with net earnings increasing by 28.4% in the first half of 2021. China Everbright Environment's share price increased by 42.9% in 2021.

## 3. Drax Group

**Market cap: £2.4 billion**

**[www.drax.com](http://www.drax.com)**

Drax Group operates the UK's largest renewable energy facility, the Drax power station in Yorkshire, which it converted from burning coal to biomass pellets manufactured from sustainable wood waste. The facility benefits from UK subsidy schemes lasting through to 2027. Drax is also one of the world's largest producers of biomass pellets from its facilities in the US, and following the acquisition of pellet business Pinnacle Renewable Energy in 2021, in Canada. This has diversified its upstream business, and increased Drax's self-sufficiency in fuel. Further, the company is developing carbon capture and storage technology, which would enable the Drax power station to operate with negative carbon emissions. Drax's shares rose by 61.3% in 2021.

## 4. RWE

**Market cap: £20.3 billion**

**[www.rwe.com](http://www.rwe.com)**

RWE is a German multi-national energy company, which is transitioning from fossil fuels to renewable energy. It has expanded rapidly in renewables over recent years, and has set out a capital programme to spend Euro 50 billion on green growth to 2030. RWE is one of the world's largest developers of offshore wind. RWE has closed 12 GW of coal-fired power stations since 2012, and has agreed the progressive phase out of its remaining coal generation in coming years. RWE expects that earnings from its legacy coal and nuclear businesses should decline to a negligible level by 2023. RWE's shares gained 3.3% in 2021.

## 5. National Grid

**Market cap: £38.6 billion**

**[www.nationalgrid.com](http://www.nationalgrid.com)**

National Grid is the owner and operator of the UK's high-tension electricity and gas transmission networks. Electricity transmission assets are increasingly important and complex infrastructure systems, essential to the delivery and growth of renewable energy. Grid is also taking the lead on issues such as high voltage rapid vehicle charging and offshore wind farm transmission. Grid's US business has grown steadily over recent years, accounting for 27.6% of underlying operating profits in the six-month period to September 2021. Grid acquired UK electricity distribution company WPD during 2021, while at the same time announcing the intended disposal of its UK gas assets. This pivots the company more towards electricity and away from gas, in line with the long-term direction of the energy market, we believe. Grid's share price increased by 22.5% in the year.

# Review of Top Ten Holdings continued

at 31 December 2021

## 6. Greencoat UK Wind

**Market cap: £3.3 billion**

**[www.greencoat-ukwind.com](http://www.greencoat-ukwind.com)**

Greencoat UK Wind ("UKW") is a UK-listed renewable energy investment company, owning both on and offshore wind farms. It operates as a yield company, buying constructed assets rather than taking development risk. UKW was active in issuing new equity capital during the year, raising gross proceeds of £648m and using these to expand its portfolio. UK renewable investment companies report financial statements as "investment entities" such that they do not consolidate their investments held through subsidiary companies. Instead, they account for investments on a fair value, rather than on a historic cost basis, and produce a net asset value figure reflecting current valuation. UKW's NAV benefited from an improving electricity price, with a 9.2% increase in the NAV over 2021. UKW's shares rose by 4.9% over the year, as well as paying a high dividend.

## 7. NextEnergy Solar Fund

**Market cap: £598 million**

**[www.nextenergysolarfund.com](http://www.nextenergysolarfund.com)**

NextEnergy ("NESF") is a UK-listed renewable energy investment company, owning large-scale solar assets. During 2021, NESF diversified its investments, making its first investment into battery storage. It also made investments into a fund sponsored by NESF's investment manager, NextEnergy Capital, which will expose NESF to international and earlier stage solar investments, and allows for potential co-investment and possibly enhanced returns for NESF. NESF's share price fell by 4.9%, although the company's high dividend yield resulted in a small, but positive, total return.

## 8. Fortum

**Market cap: £20.2 billion**

**[www.fortum.com](http://www.fortum.com)**

Fortum is a Finnish utility with large-scale hydro and nuclear generation. In addition, Fortum has a majority stake in German electricity generator Uniper. Fortum disposed of several large district heating businesses during the year, realising attractive prices. Capital is being reinvested into the renewables business. Fortum also has a sizable Russian business focused on gas fired generation and renewables, with Uniper also having a shareholding in the Nordstream 2 pipeline. Russia accounted for approximately 20% of group operating profit in 2021. Given the Russian exposure, Fortum's shares fell sharply in February and March 2022, and in conjunction with sales of the position, the size of the holding has now been reduced substantially.

## 9. Algonquin Power & Utilities

**Market cap: £7.2 billion**

**[www.algonquinpower.com](http://www.algonquinpower.com)**

Algonquin owns small to medium sized utilities in the Americas, and has a sizable and growing renewable business focused on North America. The company is executing a plan to spend \$3.1bn on renewable investments and \$6.3bn on utility investment over 2021-2025. The utility investment includes regulated "rate base" renewable energy investments within utility businesses, allowing for the closure of fossil fuel generation. Financial results were strong during 2021, benefitting from recent acquisitions of a water utility in Chile, and the electricity distribution company in Bermuda. In addition, Algonquin completed substantial new renewable assets, such as the 492 MW Maverick Creek wind farm in Texas. Despite this, Algonquin's shares fell by 12.8% during the year.

## 10. Atlantica Sustainable Infrastructure

**Market cap: £2.9 billion**

**[www.atlantica.com](http://www.atlantica.com)**

Atlantica Yield operates renewable energy plus some conventional thermal generation and electricity transmission assets. It operates as a yield company, its sponsor being Algonquin Power and Utilities Corp., a company also owned within the portfolio. Atlantica has a commitment to maintain at least 80% of gross earnings from low-carbon assets, and it sits in the first percentile of the Sustainalytics ESG rankings. Their assets are located in the US, Europe, South Africa and Latin America, and have a weighted average remaining contract length of 16 years, offering exceptional visibility. Strong cash flows have allowed the company to pay down project level debt and fund new investments. 2021 was an active year for the company, with the acquisition of a sizable US wind farm portfolio and a geothermal power plant in California. Despite reporting improved earnings and cash flows during the year, Atlantica's share price fell by 5.8%.

## Directors

[GRAPHIC REMOVED]

### **Gillian Nott OBE – Chairman**

Gillian Nott worked for 20 years in the energy sector including 13 years with BP. She went on to be CEO of ProShare, deputy chairman of the Association of Investment Companies and a non-executive director of the Financial Services Authority. She has also sat on the board of a number of investment and venture capital trusts. She is currently Chairman of Gresham House Renewable Energy VCT 1 PLC and the US Solar Fund plc. Mrs Nott was appointed as a non-executive director of the Company on 1 March 2016 and was appointed Chairman on 27 July 2018.

[GRAPHIC REMOVED]

### **Melville Trimble – Chairman of the Audit Committee**

Melville Trimble is a qualified accountant and a member of the Institute of Chartered Accountants in England and Wales, a fellow of the Chartered Institute of Securities and Investment and has spent much of his career as a corporate financier specialising in the financial sector. Through roles at Cazenove, Merrill Lynch and PwC, Mr Trimble was principal corporate adviser to more than 90 investment companies. He has been a director of three investment companies and also served on the board of the Association of Investment Companies for nine years, including as deputy chairman for three years, as chair of the audit committee for eight years and as a member of their technical committee. Mr Trimble was appointed non-executive director of the Company on 25 April 2019.

[GRAPHIC REMOVED]

### **Victoria Muir – Chairman of the Remuneration Committee**

Victoria Muir is a Chartered Director and a Fellow of the Institute of Directors. She is a distribution specialist and has worked in financial services, with a focus on asset management, for over 25 years. She was Global Head of Investor Relations at BlueBay Asset Management and Head of Client Account Management at Royal London Asset Management, where she held four executive directorships. She is a non-executive director of Schroder Income Growth Fund plc and chairman at Invesco Select Trust plc, as well as holding chair or non-executive director roles on other limited companies in the financial services sector. She was appointed non-executive director of the Company on 14 March 2018.

## Investment Manager

### **James Smith**

James joined Premier Miton in June 2012, after spending fourteen years at Utilico, specialising in the global utilities, transportation infrastructure, and renewable energy sectors. During this time he gained extensive experience in both developed and emerging markets. He was previously a director at Renewable Energy Holdings PLC and Indian Energy Ltd. James is a Chartered Accountant and Barrister. James is supported by Premier Miton's Global Equity team and the firm's head of Responsible Investing.

## Head of Investment Trusts

### **Claire Long**

Claire joined Premier Miton in December 2008, and until the end of 2019 was co-manager of the Trust. Previously she ran a UK smaller companies fund at Rothschild Asset Management after spending four years at Foreign and Colonial where she covered a range of markets, including the UK and Japan. In January 2020 she assumed the role of head of Investment Trusts at Premier Miton, where she oversees the group's closed end funds business. She is an Associate of the CFA UK.



# Strategic Report

for the year ended 31 December 2021

The Directors submit to the shareholders their Strategic Report, Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2021.

## Business Model and Strategy

### Business and tax status

The Company is an investment trust and its principal activity is portfolio investment. In the opinion of the Directors, the Company has conducted its affairs during the period under review, and subsequently, so as to maintain its status as an investment trust (see page 18 for tax description). This allows the Company to obtain an exemption from paying taxes on the profits made from the sale of its investments. Investment trusts offer a number of other advantages for investors, including access to investment opportunities that might not be open to private investors and to professional stock selection skills at low cost.

The Company is an investment company as defined in Section 833 of the Companies Act 2006. The Company is not a close company for taxation purposes.

### High income

The full year dividend for 2021 totalled 7.0p (10.2p for 2020) representing a yield of 3.56% on the year end share price.

The chart on page 3 shows the annual dividends paid by the Company over the past five years.

### Long term growth in capital value

The asset value of the Company's portfolio will be heavily influenced by performance of the renewable energy sector, other sustainable infrastructure sectors and global stock markets.

At a General Meeting held on 9 October 2020, an ordinary resolution was passed to amend and restate the Company's investment objective and policy to read as follows:

### Investment objective

The investment objectives of the Company are to achieve a high income from, and to realise long-term growth in the capital value of its portfolio. The Company seeks to achieve these objectives by investing principally in equity and equity related securities of companies operating primarily in the renewable energy sector, as well as other sustainable infrastructure investments.

### Investment policy

The investment policy of the Company is that, in normal market conditions, the portfolio of the Company should consist primarily of a diversified portfolio of equity and equity-related securities of companies operating in the renewable energy sector, as well as other sustainable infrastructure investments. There are no restrictions on the proportion of the portfolio of the Company which may be invested in any one geographical area or asset class. The Company may also invest in investment companies provided they themselves invest in renewable energy and other sustainable infrastructure, subject to the investment restrictions below.

There are no borrowings under financial instruments or the equivalent of financial instruments but investors should be aware of the gearing effect of ZDP shares within the Group's capital structure. The Company's policy is not to employ any gearing through long-term bank borrowing. The Group can, however, employ gearing through the issue of ZDP shares by PMGR Securities 2025 PLC. The Group is not subject to a maximum level of such gearing save that the number of ZDP shares that may be issued is limited by the applicable cover test in respect of those ZDP shares.

The Company will not:

- (a) invest more than 15 per cent. of the Company's assets, at the time of acquisition, in securities issued by any investee company;
- (b) invest more than 10 per cent., in aggregate, of the value of its gross assets at the time the investment is made in other listed closed-ended funds, provided that this restriction does not apply to investments in any such closed-ended funds which themselves have stated investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended funds;

## Strategic Report continued

- (c) invest more than 15 per cent. of its gross assets in listed closed-ended funds, except that this restriction will not apply to listed closed-ended funds that invest predominantly in physical assets;
- (d) invest in open ended collective investment schemes, except that this restriction will not apply to exchange traded funds, open ended money market funds or other funds investing exclusively in shortdated fixed income securities;
- (e) invest more than 15 per cent. of its gross assets in unquoted securities;
- (f) expose more than 20 per cent. of its gross assets to the creditworthiness or solvency of any one counterparty (including the counterparty's subsidiaries or affiliates);
- (g) invest in physical commodities;
- (h) cross-finance between the businesses forming part of its investment portfolio including provision of undertakings or security for borrowings by such businesses for the benefit of another;
- (i) operate common treasury functions as between the Company and an investee company; or
- (j) conduct any significant trading activity.

In addition to the above restriction on investment in a single company the Board seeks to achieve a spread of risk in the portfolio through monitoring the country and sector weightings of the portfolio.

There will be a minimum of twenty stocks in the portfolio.

The Directors meet with the Investment Manager regularly to discuss the portfolio. The Investment Manager prepares monthly investment updates for the Directors' consideration, together with other ad-hoc reports as requested by the Board.

### **Viability statement**

The Directors have assessed the viability of the Company over a three year period, taking into account the Company's position at 31 December 2021.

A period of three years has been chosen for the purposes of the assessment of viability as the Board believes that this reflects a suitable time horizon for reviewing the Company's circumstances and strategy, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and the availability of funding. In its assessment of the viability of the Company, the Directors have carried out a robust assessment of the Company's emerging and principal risks detailed on pages 18 to 20 and in particular:

- (i) The potential for a fall in value of the investment portfolio.
- (ii) Potential changes in either the Company's investment or operating environment.
- (iii) The Company's ability to represent an attractive investment, including the potential for Company's shares to trade at a level close to Net Asset Value, to pay an attractive level of dividend, and maintain acceptable levels of Gearing and Zero Dividend Preference Share Cover.
- (iv) The operational resilience of service providers and their ability to fulfil their obligations to the Company as many shift from the working from home model whilst lockdown measures applied to more hybrid operations.

# Strategic Report continued

(v) Looking beyond the three-year horizon, the Board is conscious that there will be a ZDP maturity and a continuation vote in 2025. Therefore, testing calculations performed by the Fund Manager illustrating the effects on Gearing and Zero Dividend Preference Share Cover given specified reductions in value of the portfolio included:

- a) the Company's ability to repay the final capital entitlement of the ZDP Shares on 28 November 2025;
- b) the potential for a fall in the value of the investment portfolio; and
- c) the impact on the Company should the shareholders vote not to pass the continuation vote scheduled to take place at the 2025 annual general meeting of the Company, which would oblige the Directors to follow the provisions in the Articles of Association and put forward proposals to the effect that the Company would be wound up, liquidated, reorganised, unitised or to find some other suitable solution that would be satisfactory to the shareholders.

The Directors also considered the Company's income and expenditure projections and took into account the fact that the Company's investments principally comprise liquid securities listed on recognised stock exchanges.

Based on the assessment undertaken as outlined above, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and to meet its liabilities as they fall due over the three year period to December 2024.

## Return per share – basic

Total return per Ordinary Share is based on the net total gain on ordinary activities after taxation of £8,216,000 (31 December 2020: net total gain £7,006,000).

These calculations are based on the weighted average number of 18,202,903 Ordinary Shares in issue during the year to 31 December 2021 (2020: 18,088,480).

The return per Ordinary Share can be further analysed between revenue and capital as below:

|                    | Year ended<br>31 December<br>2021<br>Pence per<br>Ordinary Share | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>Pence per<br>Ordinary Share | Year ended<br>31 December<br>2020<br>£000 |
|--------------------|------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------|-------------------------------------------|
| Net revenue return | 7.43p                                                            | 1,352                                     | 9.32p                                                            | 1,685                                     |
| Net capital gain   | 37.71p                                                           | 6,864                                     | 29.41p                                                           | 5,321                                     |
| Net total gain     | 45.14p                                                           | 8,216                                     | 38.73p                                                           | 7,006                                     |

The basic returns per share are equivalent to the fully diluted returns per share. Full details can be found in note 18 on page 68.

## Dividends

The following dividends were paid during the year:

|                                                           | Payment date      | Dividend pence<br>(net per share) |
|-----------------------------------------------------------|-------------------|-----------------------------------|
| <b>Fourth Interim</b> for the year ended 31 December 2020 | 31 March 2021     | 2.70p                             |
| <b>First Interim</b> for the year ended 31 December 2021  | 30 June 2021      | 1.75p                             |
| <b>Second Interim</b> for the year ended 31 December 2021 | 30 September 2021 | 1.75p                             |
| <b>Third Interim</b> for the year ended 31 December 2021  | 31 December 2021  | 1.75p                             |

# Strategic Report continued

Subsequent to the year end but in respect of the year ended 31 December 2021 the Directors have declared a fourth interim dividend of 1.75p, payable on 31 March 2022 to members on the register at the close of business on 11 March 2022. The shares will be marked ex-dividend on 10 March 2022. This dividend relates to the year ended 31 December 2021 but in accordance with International Financial Reporting Standards, it is recognised in the period in which it is paid. Further dividend details can be found in note 7 on page 63.

## **Net asset value**

The net asset value per Ordinary Share, including revenue reserve, at 31 December 2021 was 210.60p based on net assets as at 31 December 2021 of £38,410,000 divided by number of Ordinary Shares in issue of 18,238,480 (31 December 2020: 173.48p). The net asset value of a ZDP Share at 31 December 2021 was 105.44p based on the accrued capital entitlement as at 31 December 2021 of £14,990,000 divided by the number of ZDP shares in issue of 14,217,339.

## **Alternative Investment Fund Management Directive ("AIFMD")**

The Company appointed Premier Portfolio Managers Limited ("PPM") to act as its Alternative Investment Fund Manager ("AIFM") pursuant to an Alternative Investment Fund Management Agreement entered into by the Company and the AIFM on 20 January 2015 (the "AIFM Agreement") as amended and restated from time to time.

Up to and throughout 2020, the Manager has been entitled to receive a fixed fee of £20,000 per annum in respect of its appointment as AIFM. From 2021 the Manager provides AIFM services within the management fee.

The Company and PPM also entered into a depositary agreement with Northern Trust Investor Services Limited ("NTISL") pursuant to which NTISL was appointed as the Company's depositary for the purposes of AIFMD. Details of the change in depositary can be found on page 26.

In accordance with AIFMD regulations the Company has published a pre investment disclosure document which can be found on the Company's area on Premier Miton's website at: [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com).

## **PRIIPs KIDs**

The Company has published a Key Information Document ("KID") in compliance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") Regulation. KIDs for the Ordinary and the ZDP Shares can be found on the Company's area on Premier Miton's website at: [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com).

The Company is not responsible for the information contained in the KID. The process for calculating the risks, costs and potential returns are prescribed by regulation. The figures in the KID may not reflect the expected returns for the Company and anticipated returns cannot be guaranteed.

## **Foreign Account Tax Compliance Act ("FATCA")**

The Company has registered with the US Internal Revenue Service as a Reporting Financial Institution under the FATCA legislation.

## **Investment trust tax status**

The Company has been approved by HM Revenue & Customs ("HMRC") as an investment trust in accordance with Sections 1158 and 1159 of The Corporation Tax Act 2010, subject to the Company continuing to meet the eligibility conditions. In the opinion of the Directors, the Company has conducted its affairs during the period under review, and subsequently, so as to maintain its status as an investment trust and satisfy the conditions for continued approval.

## **Principal and emerging risks associated with the Company**

### *Structure of the Group and gearing*

The Board, in conjunction with the Audit Committee, undertakes a robust assessment and review of the principal risks facing the Company, together with a review of any new and emerging risks which may have arisen during the year. These risks are formalised within the Company's risk register. Information regarding the Company's internal control and risk management procedures can be found in the Corporate Governance Statement on page 36.

The principal financial risks and the Company's policies for managing these risks, and the policy and practice with regard to the portfolio are summarised in note 21 to the financial statements.

# Strategic Report continued

Listed below is a summary of the principal and emerging risks identified by the Board and actions taken to mitigate those risks.

The Ordinary Shares issued by the Company and the ZDP Shares issued by its subsidiary, PMGR Securities 2025 PLC have different characteristics. Returns generated by the Company's underlying portfolio are apportioned in accordance with the respective entitlements of each class of share. As the Ordinary Shares and ZDP Shares have different rights both during the life of the Company and on a winding-up, shareholders and prospective investors are advised to give careful consideration to their choice of class or classes of share (see page 1 for details of these entitlements).

The Company employs no gearing in the form of bank loans or bonds. The Ordinary Shares are geared by the prior ranking entitlement ZDP Shares issued by its subsidiary.

## *Dividend levels*

Dividends paid on the Company's Ordinary Shares principally rely on receipt of dividends and interest payments from the securities in which the Company invests. The Board monitors the income of the Company and reviews an income forecast for the current financial year at its regular quarterly Board meetings.

## *Currency risk*

The Company invests in overseas securities and its assets are therefore subject to currency exchange rate fluctuations. The Company may hedge against foreign currency movements affecting the value of the investment portfolio where adverse movements are anticipated but otherwise takes account of this risk when making investment decisions.

## *Liquidity risk*

The Company invests principally in liquid securities listed on recognised stock exchanges. The Company may invest up to 15% of its gross assets in unquoted securities. These securities may have limited liquidity and be difficult to realise. The investment limits set are monitored at each Board meeting. The Company held no unquoted securities during the year.

## *Market price risk*

Since the Company invests in financial instruments, market price risk is inherent in these investments. In order to minimise this risk, a detailed analysis of the risk/reward relationship of each investee company is undertaken by the Investment Manager. The Board regularly reviews reports on the portfolio produced by the Investment Manager. The Investment Manager has the ability to utilise financial derivatives for efficient portfolio management purposes.

## *Discount volatility*

Being a closed-ended company, the Company's shares may trade at a premium or discount to their net asset value. The magnitude of this premium or discount fluctuates daily and can vary significantly. Thus, for a given period of time, it is possible that the market price could decrease despite an increase in the net asset value of the Company's shares. The Directors review the discount levels regularly. The Investment Manager actively communicates with the Company's major shareholders and potential new investors, with the aim of managing discount levels.

## *Operational*

Like most other investment trust companies, the Company has no employees. The Company therefore relies upon the services provided by third parties and is dependent on the control systems of the Investment Manager and the Company's other service providers. The security, for example, of the Company's assets, dealing procedures, accounting records and maintenance of regulatory and legal requirements, depend on the effective operation of these systems. The Board reviews, at least annually, the performance of all the Company's third party service providers, as well as reviewing service providers' anti-bribery and corruption policies to address the provision of the Bribery Act 2010. The Board and Audit Committee regularly review statements on internal controls and procedures provided by Premier Fund Managers Ltd and other third parties and also subject the books and records of the Company to an annual external audit.

## *Accounting, legal and regulatory*

In order to continue to qualify as an investment trust, the Company must comply with Section 1158 of the Corporation Tax Act 2010. A breach of Section 1158 could lead to the Company being subject to capital gains tax on gains within the Company's portfolio. Section 1158 qualification criteria are continually monitored by the Investment Manager and the results reported to the Board at its regular meetings. The Company must also comply with the Companies Act, the Listing Rules and the Market Abuse Regulation. The Board relies on the services of the administrator, Premier Portfolio Managers Limited and its professional advisers to ensure compliance with the Companies Act and the Listing Rules. The Company is also required to comply with the AIFMD and

# Strategic Report continued

has appointed Premier Portfolio Managers Limited ("PPM") as its Alternative Investment Fund Manager and PPM is responsible for ensuring compliance with the AIFMD (see page 18).

## *Political and regulatory risk*

The Company invests in regulated businesses which may be subject to political or regulatory interference, and may be required to set pricing levels, or take investment decisions, for political rather than commercial reasons. In some less developed economies, including those in which the Company invests, there are increased political and economic risks as compared to more developed economies. These risks include the possibility of various forms of punitive government intervention together with reduced levels of regulation, higher brokerage commissions, less reliable settlement and custody practices, higher market volatility and less reliable financial reporting. Such factors are out of the control of the Board and the Investment Manager, and the Board monitors the performance of its investments at each Board meeting.

## *Geopolitical risk*

The Company operates across global equity markets, and may be subject to adverse effects resulting from war, political disputes, sanctions, and banking restrictions. These may lead to adverse movements in commodity prices, confiscation of assets, and restrictions on the movement of capital. Most of these risks are outside the control of the Board, but care is taken to avoid investment in countries where such risks are more likely to occur.

## *Climate risk*

Climate change has the potential to affect weather patterns and may have an adverse impact on renewable energy production from hydro and wind plants in particular. Higher temperatures may have other, as yet unforeseen, negative consequence on the operations of portfolio companies.

## *Covid-19 risks*

The global Covid-19 pandemic has presented the Company with portfolio risks arising from market volatility, and also operational risks arising from Government policy which has necessitated changes to methods of working for both the Company Manager and also the Company's service providers. The Company invests in renewable energy businesses which provide an essential product and which the Directors believe have a below average exposure to reductions in levels of economic activity. The Board of Directors, the Investment Manager, and the Company's service providers, when required by law or regulation, have switched to remote working methods with no material loss of efficiency or functionality noted.

## **Directors' duties - s172 statement**

The Directors' overarching duty is to act in good faith and in a way that is the most likely to promote the success of the Company as set out in Section 172 of the Companies Act 2006. In doing so, the Directors must take into consideration the interests of the various stakeholders of the Company, the impact the Company has on the community and the environment, take a long-term view on consequences of the decisions they make as well as aim to maintain a reputation for high standards of business conduct and fair treatment between the members of the Company.

Fulfilling this duty helps to ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Company explains how the Directors have discharged their duty under Section 172 below.

To ensure that the Directors are aware of, and understand, their duties they are provided with the pertinent information when they first join the Board as well as receive regular and ongoing updates and training on the relevant matters. They also have continued access to the advice and services of the Company Secretary, and when deemed necessary, the Directors can seek independent professional advice.

As well as the Terms of Reference of its committees, the Schedule of Matters Reserved for the Board are reviewed on at least an annual basis and further describe the Directors' responsibilities and obligations, and include any statutory and regulatory duties. The Audit Committee has the responsibility for the ongoing review of the Company's risk management systems and internal controls and, to the extent that they are applicable, risks related to the matters set out in Section 172 are included in the Company's risk register and are subject to periodic and regular reviews and monitoring.

# Strategic Report continued

## Decision-making

The importance of the stakeholder considerations, in particular in the context of decision-making, is taken into account at every Board and Committee meeting. All discussions involve careful consideration of the longer-term consequences of any decisions and their implications for stakeholders to ensure that any decision will promote the long-term success of the Company whether this is in relation to new investment opportunities, future fundraisings or dividends. By way of illustration, principal decisions made by the Board in 2021, related to the review of the expected revenue earnings and dividend for the financial year 2021; the change of the Trust's performance benchmark from the FTSE Global Core Infrastructure 50/50 Index to the S&P Global Clean Energy Index and the issuance of shares to satisfy market demand.

## Stakeholders

The Board seeks to understand the needs and priorities of the Company's stakeholders, and these are considered during all its discussions and as part of its decision-making. As the Company is an externally managed investment company it does not have any employees or customers, nor does it have a direct impact on the community or environment in the conventional sense. Further explanation on environmental, social and governance issues can be found on pages 24 and 25. The Board has considered which parties should be deemed to be the Company's stakeholders and the section below sets out these key stakeholders and why they are considered of importance to the Company together with the actions taken to ensure that their interests are accounted for appropriately.

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
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| <b>Shareholders</b> | <p>Communication with shareholders is given a high priority by both the Board and the Investment Manager and all Directors are available to enter into dialogue with shareholders. Continued shareholder support and engagement are critical to existence of the business and the delivery of the long-term strategy of the business.</p> <p>The Company understands the need to effectively communicate with existing and potential shareholders, briefing them on strategic and financial progress and obtaining feedback. The Board is committed to maintaining open channels of communication and to engage with shareholders in a manner which they find most meaningful, in order to gain an understanding of the views of shareholders. Most of the contact with shareholders is with the Investment Manager and the Company's Broker, and the Investment Manager met with all the Company's major shareholders during the year, together with other investors not owning shares in the Company. The Board receives regular reports about such meetings and any issues raised are considered carefully.</p> <p>The Board engagement includes:</p> <ul style="list-style-type: none"><li>• <b>Annual General Meeting</b><br/>The Company welcomes engagement from shareholders at the AGM as it sees it as an important opportunity for all shareholders to engage directly with the Board and the Investment Manager. The Company will hold its AGM on 28 April 2022 at the offices of Premier Miton, in Guildford. For further details please refer to the Notice of the AGM set out from page 85;</li><li>• <b>Publications</b><br/>The Board values any feedback and questions it may receive from shareholders ahead of, and during, the AGM and will take action or make changes, when and as appropriate. Where possible, all directors will attend the AGM. All voting at general meetings of the Company is conducted by way of a poll. All shareholders have the opportunity to cast their votes in respect of proposed resolutions by proxy, either electronically or by post. Following the AGM, the voting results for each resolution are published and made available on the Company's website;</li><li>• <b>Publications</b><br/>The Annual Report and Half-Yearly results are made available on the Company's website and the Annual Report is circulated to shareholders. These reports provide shareholders with a clear understanding of the underlying portfolio and the financial position of the Company. The Company also publishes a monthly factsheet and portfolio update which are available on the website and the publication of which is announced via the London Stock Exchange. The monthly factsheet contains details on investment performance, both within the month and historic, together with the Investment Manager's commentary on performance and events for the month.</li></ul> |
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## Strategic Report continued

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shareholders<br/>(continued)</b>                                                                                                                                             | <ul style="list-style-type: none"> <li>• <b>Shareholder concerns</b><br/>In the event shareholders wish to raise issues or concerns with the Directors, they are welcome to do so at any time by writing to the Chairman at the registered office. The Company always responds to letters from individual shareholders. Other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Feedback can also be gained via the Company's corporate brokers, which is communicated to the Board and Investment Manager; and</li> <li>• <b>Working with external partners</b><br/>The Investment Manager and the Company's Broker maintain an active dialogue with shareholders and potential investors at scheduled meetings or analyst briefings particularly following financial results and provide the Board with regular reports and feedback on key market issues and shareholder concerns. This includes market dynamics and corporate perception.</li> </ul>                                                                                                                                                                                                                                                                                                                                          |
| <b>The Investment<br/>Manager</b>                                                                                                                                               | <p>The Investment Manager's performance is critical for the Company to successfully deliver its investment strategy and meet its objective to achieve high income from, and to realise long-term growth in the capital value of its portfolio.</p> <p>Maintaining a close and constructive working relationship with the Investment Manager is crucial as the Board and the Investment Manager both aim to continue to achieve consistent, long-term returns in line with its investment objective. Important components in the collaboration with the Investment Manager, representative of the Company's culture are:</p> <ul style="list-style-type: none"> <li>• Encouraging open discussion with the Investment Manager;</li> <li>• Adopting a tone of constructive challenge when appropriate;</li> <li>• Drawing on Board Members' individual experience and knowledge to support the Investment Manager in its monitoring of the portfolio; and</li> <li>• That the Board and the Investment Manager should act within the agreed investment restrictions and risk appetite statement and not seek to add further investment risk.</li> </ul>                                                                                                                                                                                                                                   |
| <b>The Company<br/>Secretary;<br/>the Registrar;<br/>the Auditor;<br/>the Investment<br/>Manager;<br/>the Fund<br/>Administrator;<br/>and the Custodian<br/>and Depositary.</b> | <p>In order to function as an investment trust the Company relies on a diverse range of advisors for support with meeting all relevant legal and regulatory obligations. Advisor contact details can be found on page 91.</p> <ul style="list-style-type: none"> <li>• The Company Secretary – Link Company Matters Limited;</li> <li>• The Registrar – Link Group;</li> <li>• The Auditor – KPMG LLP;</li> <li>• The Broker – Singer Capital Markets;</li> <li>• The Investment Manager – Premier Fund Managers Limited;</li> <li>• The Fund Administrator – Premier Portfolio Managers Limited;</li> <li>• The Custodian – The Northern Trust Company; and</li> <li>• The Depositary – Northern Trust Investor Services Limited.</li> </ul> <p>The Board maintains regular contact with its key external providers, primarily at Board and committee meetings, as well as through the Investment Manager from its own interactions with the external providers outside of the regular meeting cycle. In addition, the Management Engagement Committee is tasked with periodic reviews of the external service providers, assessing their performance, fees and continuing appointment at least annually to ensure that the key service providers continue to function at an acceptable level and are appropriately remunerated to deliver the levels of service required of them.</p> |



## Strategic Report continued

|                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulators</b> | <p>The Company operates in accordance with laws and regulations issued by relevant regulators, authorities and government agencies, including the London Stock Exchange, the Financial Conduct Authority, the Financial Reporting Council and HMRC, who have a legitimate interest in how the Group operates in the market and treats its shareholders. We have an open and transparent relationship with all such authorities.</p> <p>The Group regularly considers how it meets various regulatory and statutory obligations and follows voluntary and best-practice guidance, and how any governance decisions it makes can have an impact on its stakeholders, both in the shorter and in the longer-term.</p> |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Culture

The Directors are of the opinion that establishing and maintaining a healthy corporate culture amongst the Board and in its interaction with the Investment Manager, shareholders and other stakeholders will support the delivery of its purpose, values and strategy. The Board seeks to promote a culture of openness, transparency and integrity through ongoing dialogue and engagement with its stakeholders, principally the Investment Manager.

The Board strives to ensure that its culture is in line with the Company's purpose, values and strategy and will consider this through its annual evaluation processes. There are also policies and procedures in place to assist with maintaining a culture of good governance that include those relating to Directors' dealings in the Company's Shares, conflicts of interest, bribery and tax evasion.

The Board seeks to appoint appropriate third-party service providers and evaluates their services on a regular basis as described on page 22. Their ongoing appointments are not only reflective of their performance by reference to their contractual and service level obligations, but also take into account the extent to which their individual corporate cultures align with those of the Company. The Board considers the culture of the Investment Manager and other stakeholders, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

### Key performance indicators

The Company's Directors meet regularly to review the performance of the Company and its shares. The key performance indicators ("KPIs") used to measure the progress and performance of the Company over time are as follows:

- 1) *The performance against a set of reference points.* The Investment Manager's performance is not assessed against a formal benchmark but rather against a set of reference points which are more general in nature and intended to be representative of the broad spread of assets in which the portfolio invests. These references include the Company's performance benchmark index, the S&P Global Clean Energy Index, (see Company Highlights on page 2). Internally, and not published within this report, performance is also measured against other global, regional, and sector based indices.
- 2) *The performance against the peer group.* The assessment of the Investment Manager's performance against companies which invest in similar, but not necessarily the same, securities allows the Board to evaluate the effectiveness of the Company's investment strategy. This is an internal review only, and not published within this report.
- 3) *The performance of the Company at the gross asset level.* This shows how the assets attributable to shareholders as a whole have performed (see Company Highlights Total Assets Total Return).
- 4) *The performance of the Ordinary Shares, both in terms of share price total return (i.e. accounting for dividends received) and in terms of net asset value total return.* The share price performance is the measure of the return that shareholders have actually received and will reflect the impact of widening or narrowing of discounts to NAV (see graphs on page 3).
- 5) *Ongoing charges.* The annualised ongoing charges figure for the year was 1.65% (2020: 1.76%). This figure represents the annual percentage reduction in total assets total return as a result of recurring operational expenses.

The Board reviews each year an analysis of the Company's ongoing charges figure and a comparison with its peers. The Company also calculates summary cost indicators for publication in the KID, available on the Company's website.

# Strategic Report continued

All of these areas were examined throughout the year and the table below summarises the key indicators:

|                                                              | As at or year to:<br>31 December<br>2021 | As at or year to:<br>31 December<br>2020 | % change |
|--------------------------------------------------------------|------------------------------------------|------------------------------------------|----------|
| <b>Total Return Performance</b>                              |                                          |                                          |          |
| Total Assets Total Return <sup>1#</sup>                      | 19.8%                                    | 16.5%                                    |          |
| S&P Global Clean Energy Index <sup>2</sup> (GBP)             | (22.5%)                                  | 135.3%                                   |          |
| Ongoing charges <sup>3#</sup>                                | 1.65%                                    | 1.76%                                    |          |
| <b>Ordinary Share Performance</b>                            |                                          |                                          |          |
| Net Asset Value per Ordinary Share (cum income) <sup>4</sup> | 210.60p                                  | 173.48p                                  | 21.4%    |
| Revenue return per Ordinary Share                            | 7.43p                                    | 9.32p                                    | (20.3%)  |
| Net dividends declared per Ordinary Share                    | 7.00p                                    | 10.20p                                   | (31.4%)  |
| Discount to Net Asset Value <sup>#</sup>                     | (6.7%)                                   | (9.2%)                                   |          |

<sup>#</sup> Alternative performance measure ("APM"). See Glossary of Terms for definitions and Alternative Performance Measures on pages 76 to 80.

<sup>1</sup> Source: PFM Limited. Based on opening and closing total assets plus dividends marked "ex-dividend" within the period.

<sup>2</sup> Source: Bloomberg.

<sup>3</sup> Ongoing charges have been based on the Company's management fees and other operating expenses as a percentage of average gross assets less current liabilities over the year (excluding the ZDPs accrued capital entitlement).

<sup>4</sup> Articles of Association basis.

## Future prospects

The Board's main focus is the achievement of a high income from the portfolio together with the generation of long-term capital growth. The future of the Company is dependent upon the success of the investment strategy. The investment outlook and future developments of the Company are discussed in both the Chairman's statement on pages 4 to 6 and the Investment Manager's report on pages 7 to 10.

## Board diversity policy

The Nomination Committee considers diversity, including the balance of skills, knowledge, including gender and experience, amongst other factors when reviewing the composition of the Board and appointing new directors, but does not consider it appropriate to establish targets or quotas in this regard. As at the end of 2021, the Board comprised two female non-executive directors and one male non-executive director. The Company has no employees.

## Environmental, social and governance ("ESG") issues

The Company has no employees, property or activities other than investments, so its direct environmental impact is minimal. In carrying out its activities and in its relationships with service providers and their employees, the Company aims to conduct itself responsibly, ethically and fairly. Under Listing Rule 15.4.29(R), the Company, as a closed-ended investment fund, is exempt from complying with the Task Force on Climate-related Financial Disclosures.

## United Nations Sustainable Development Goals

[GRAPHIC REMOVED] The Company invests primarily in companies operating renewable energy assets, or facilitating the delivery of renewable energy to customers. As such its portfolio is primarily exposed to those companies which aim to address the following Sustainable Development Goals, as adopted by the United Nations:

[GRAPHIC REMOVED] • Affordable and clean energy:  
Ensure access to affordable, reliable, sustainable and modern energy for all.

# Strategic Report continued

[GRAPHIC REMOVED] • Industry, innovation and infrastructure:  
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

[GRAPHIC REMOVED] • Climate Action:  
Take urgent action to combat climate change and its impacts.

## **London Stock Exchange Green Economy Mark**

[GRAPHIC REMOVED] In January 2021 the Company received the London Stock Exchange's Green Economy Mark, a classification which is awarded to companies and funds that are driving the global green economy. To qualify for the Green Economy Mark, companies and funds must generate at least 50% of their total annual revenues from products and services that contribute to the global green economy.

## **Principles for Responsible Investment**

[GRAPHIC REMOVED] The Investment Manager integrates Governance and Social responsibility into its investment process, and actively engages with investee companies in order deliver improved outcomes for all stakeholders. The Investment Manager has a dedicated team which assesses the relevant ESG metrics across all investments held by the Investment Manager. Given the nature of the Company's portfolio, environmental performance is given particular emphasis. The Fund Manager takes an active approach to voting on company resolutions at annual general meetings of investee companies. Premier Miton is a signatory to the Principles for Responsible Investment, an organisation which encourages and supports its signatories to incorporate environmental, social, and governance factors into their investment and ownership decisions.

## **Prevention of the facilitation of tax evasion**

In response to the implementation of the Criminal Finances Act 2017, the Board has adopted a zero-tolerance approach to the criminal facilitation of tax evasion. A copy of the Company's policy on preventing the facilitation of tax evasion can be found on the Company's website: [www.globalrenewablestrust.com](http://www.globalrenewablestrust.com). The policy is reviewed annually by the Audit Committee.

## **Social, community and human rights**

The Company does not have any specific policies on social, community or human rights issues as it is an investment company which does not have any physical assets, property, employees or operations of its own.

For and on behalf of the Board



**Gillian Nott OBE**

Chairman

8 March 2022

# Directors' Report

for the year ended 31 December 2021

The Directors present their Report together with the audited Financial Statements of the Company for the year ended 31 December 2021.

## Disclosures incorporated by reference

For the purposes of compliance with Disclosure Guidance and Transparency Rules ('DTR') DTR 4.1.5 R (2) and DTR 4.1.8 R, the required content of the 'Management Report' can be found in the Strategic Report and this Directors' Report. The following disclosures required to be included in this Directors' Report have been incorporated by way of reference to other sections of this report and should be read in conjunction with this report:

- Corporate Governance Statement – refer to pages 34 to 37 of this report;
- Strategy and relevant future developments – refer to the Chairman's Statement on pages 4 to 6, the Investment Manager's Report on pages 7 to 10 and pages 15 to 25 of the Strategic Report; and
- Financial risk management objectives and policies – the Company invests in financial instruments which are valued at fair value. An analysis of the portfolio is provided in note 8 on page 64. Further information about financial instruments and capital disclosures is provided in note 21 on pages 69 to 75.

## Investment management and administration

Premier Portfolio Managers Limited ("PPM" or the "Investment Manager") was appointed as the Company's AIFM, pursuant to an Alternative Investment Fund Management Agreement with effect from 20 January 2015 and has delegated the portfolio management of the Company's portfolio of assets to PFM Limited. The Company and Investment Manager entered into a restated Investment Management Agreement on 25 January 2019.

Under the Investment Management Agreement, the Investment Manager is entitled to receive a management fee of 0.75 per cent. of the Company's gross assets. Assets invested in other funds or companies managed or advised by the Investment Manager or its subsidiaries are disregarded. The Investment Management Agreement is terminable by either party on six months' notice. No additional fee is payable to PPM in respect of its appointment as AIFM.

The Investment Manager is a subsidiary of Premier Miton Group plc and is authorised and regulated by the Financial Conduct Authority.

## Appointment of the Manager

The Board considers the arrangements for the provision of investment management services to the Company on an ongoing basis and a formal review is conducted annually. As part of the annual review the Board considered the quality and continuity of the personnel assigned to handle the Company's affairs, the investment process and the results achieved to date.

The Board has concluded that the continuing appointment of the Investment Manager as AIFM, and the delegation of investment management services to the Investment Manager on the terms disclosed above, is in the interests of shareholders as a whole given their expertise and track record in the sector.

## Change of Depositary

The Company is required under the AIFMD to appoint an AIFMD compliant depositary. Previously, the depositary of the Company was Northern Trust Global Services SE, UK branch ("NTGS-UK"). NTGS-UK is the UK branch of Northern Trust Global Services SE, which is a bank established in Luxembourg, and was permitted to provide trustee and depositary services into the UK by virtue of having extra permissions in the UK.

As a consequence of the UK's decision to leave the European Union, however, the UK financial services regulator which regulates NTGS-UK, the Financial Conduct Authority ("FCA"), has provided that UK branches of EU banks are no longer able to provide trustee and depositary services in the UK and those services have to be provided from a UK incorporated company. The FCA has provided a grace period for firms to implement the new rules which came into force on 1 January 2021.

In order to comply with the new rules, Northern Trust has established Northern Trust Investor Services Limited ("NTISL") to be the new trustee and depositary. NTISL is a company established in England and Wales and is authorised by the FCA to be a trustee and depositary. NTISL will provide the same services as NTGS-UK with the same processes and procedures in place.

The change of depositary took place on 27 November 2021.

Custody services in respect of the Company's assets are provided by The Northern Trust Company.

# Directors' Report continued

## Registrar

The Company has appointed Link Group as its Registrar (the "Registrar"). The principal duty of the Registrar is the maintenance of the register of shareholders (including registering transfers). It also provides services in relation to any corporate actions, dividend administration, shareholder documentation, the Common Reporting Standard and the Foreign Account Tax Compliance Act.

The Registrar receives a fee for the maintenance of the register calculated on the number of holders on the register at any time during each month and the number of transfers in that period, plus disbursements and VAT. Fees in respect of corporate actions and other services are negotiated on an arising basis.

## Company Secretary

Link Company Matters Limited was appointed as the Company Secretary with effect from 29 July 2020, in place of Premier Portfolio Managers Limited, under the terms of a Company Secretarial Services Agreement dated 1 June 2020. The Agreement is terminable after the initial one year period, subject to a minimum notice period of six months.

## Administrator

Certain administrative functions have been delegated to NTISL by Premier Portfolio Managers Limited for which NTISL receives a fee for its services.

## Directors

The Directors of the Company as at 31 December 2021 are listed below and on page 14 together with their biographies. Details of their interests in the Ordinary Shares of the Company are set out in the Directors' Remuneration Report on page 38. All of the Directors are non-executive and have served throughout the year under review and up to the date of signing the financial statements.

Gillian Nott OBE – Chairman of the Board, the Nomination Committee and the Management Engagement Committee

Melville Trimble – Chairman of the Audit Committee

Victoria Muir – Chairman of the Remuneration Committee

None of the Directors, nor any persons connected with them, had a material interest in any of the Company's transactions, arrangements or agreements during the year. None of the Directors has, or has had, any interest in any transaction which is, or was, unusual in its nature or conditions or significant to the business of the Company, and which was affected by the Company during the current financial year.

The Board has resolved that all the Directors should be subject to re-election on an annual basis. Accordingly, all of the Directors who held office throughout the year will offer themselves for re-election at the Annual General Meeting. The Board has considered the positions of the retiring Directors as part of the annual evaluation process and believes that it would be in the Company's best interests for the Directors to be proposed for re-election at the forthcoming Annual General Meeting, given their material level of contribution and commitment to the role.

Having considered the Directors' performance within the annual Board performance evaluation process, further details of which are provided on page 35, the Board believes that it continues to be effective and the Directors bring extensive knowledge and commercial experience and demonstrate a range of valuable business, financial and asset management skills. The Board therefore recommends that shareholders vote in favour of each Director's proposed re-election.

There were no contracts subsisting during or at the end of the year in which a Director of the Company is or was materially interested and which is or was significant in relation to the Company's business. None of the Directors has a service contract with the Company and no Director is entitled to compensation for loss of office.

## Conflicts of interest

The Board has put in place a framework for Directors to report conflicts of interest or potential conflicts of interest which it believes has worked effectively during the year. All Directors are required to notify the Company Secretary of any situations where they consider that they have a direct or indirect interest, or duty that would conflict, or possibly conflict, with the interests of the Company. No such situations, however, have been identified. There remains a continuing obligation to notify the Company Secretary of any new situation that may arise, or any change to a situation previously notified. The Board reviews all notified situations on a quarterly basis.

# Directors' Report continued

## Directors' Remuneration Report

The Directors' Remuneration Report is set out on pages 38 to 41. An ordinary resolution to approve this report will be proposed to shareholders at the Company's forthcoming Annual General Meeting.

The Company is also required to put the Directors' remuneration policy to a binding shareholder vote every three years. The remuneration policy was last put to shareholders at the Annual General Meeting in 2020, and, unless any changes are proposed in the interim, will next be proposed to shareholders at the 2023 Annual General Meeting.

## Directors' and Officers' Liability Insurance

Directors' and Officers' liability insurance cover is maintained by the Company, at its expense, on behalf of the Directors. Under the Company's articles of association, the Directors are provided, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. This indemnity was in force during the year and remains in force as at the date of this report. Apart from this, there are no third-party indemnity provisions in place for the Directors.

## Bribery prevention policy

The provision of bribes of any nature to third parties in order to gain a commercial advantage is prohibited and is a criminal offence. The Board has a zero-tolerance policy towards bribery and a commitment to carry out business fairly, honestly and openly. The Board takes its responsibility to prevent bribery by the Company's Manager on its behalf very seriously and the Investment Manager has anti-bribery policies and procedures in place. The Company's other key service providers have also been contacted in respect of their anti-bribery policies.

## Global greenhouse gas emissions for the year ended 31 December 2021

The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

## Modern slavery act

The Company is an investment vehicle and does not provide goods or services in the normal course of its business, or have customers. Accordingly, the Directors consider that the Company is not within the scope of the Modern Slavery Act 2015.

## Substantial shareholdings

The Company has been informed of the following latest notifiable interests in the voting rights of the Company, in accordance with Disclosure Guidance and Transparency Rule 5.1.2, as at 31 December 2021:

| Ordinary Shares               | Number of shares | % of total voting rights |
|-------------------------------|------------------|--------------------------|
| Philip J Milton & Company Plc | 1,645,747        | 9.10                     |
| Premier Miton Group Plc       | 1,200,000        | 6.63                     |

Between 31 December 2021 and the date of this report, the Company had been notified in accordance with Disclosure Guidance and Transparency Rule 5.1.2 of the following interests in the voting rights of the Company:

| Ordinary Shares               | Number of shares | % of total voting rights |
|-------------------------------|------------------|--------------------------|
| Philip J Milton & Company Plc | 1,324,923        | 7.26                     |

## Capital structure

Full details of the Company's share capital are given in note 14 to the Financial Statements on page 67. Details of the voting rights in the Company's Ordinary Shares as at the date of this report are given in note 7 to the Notice of Annual General Meeting.

## Ordinary shares

The Ordinary Shares carry the right to receive dividends and have one voting right per Ordinary Share. There are no restrictions on the voting rights or the transfer of the Ordinary Shares. On a winding-up, they will be entitled to any undistributed revenue reserves and any surplus assets of the Company after the ZDP Shares' accrued capital entitlement and payment of all liabilities.

## Directors' Report continued

The Zero Dividend Preference Shares are issued by PMGR Securities 2025 PLC, a subsidiary of the Company, and have a final capital entitlement of 127.6111p per ZDP share on 28 November 2025.

PGIT Securities 2020 PLC was placed into members' voluntary liquidation on 30 November 2020 and the final capital entitlement of 125.6519 pence per ZDP share was made in respect of those ZDP Shares where valid elections had not been received for new ZDP Shares.

There are no shares which carry specific rights with regard to the control of the Company. At 31 December 2021, the Company's issued share capital was 18,238,480 Ordinary Shares, including 1,800,800 Ordinary Shares admitted to the premium segment of the London Stock Exchange as a block listing on 2 February 2021.

During the year under review a total of 150,000 Ordinary Shares with a nominal value of £1,500 and a total net consideration of £262,000 were issued as detailed below:

| Ordinary Shares  | Shares issued | Price paid per share (pence) | Net Asset Value (pence) <sup>1</sup> |
|------------------|---------------|------------------------------|--------------------------------------|
| 16 February 2021 | 50,000        | 191.00                       | 188.11                               |
| 15 April 2021    | 50,000        | 180.00                       | 178.55                               |
| 20 April 2021    | 50,000        | 179.50                       | 175.82                               |

<sup>1</sup> Last published NAV at time of issue.

Any shares to be issued from the block listing will be used to satisfy market demand and no shares will be issued at less than the prevailing net asset value at the time of the issue. As at 7 March 2022, 1,650,800 shares remain unissued under the block listing.

### Going concern

The Directors believe that having considered the Company's investment objectives (shown on page 1), risk management policies and procedures on page 36, nature of portfolio and income and expense projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for a period of at least 12 months from the date these financial statements were approved.

Specifically the Directors have taken into account:

- The shareholder approval at the AGM held in April 2020 to continue the Company's life until 2025.
- The refinancing of the ZDP Shares to November 2025.
- The reduction in gearing seen over recent years resulting from positive investment performance and a smaller ZDP Shares issue from November 2020.
- That aside from ZDP Shares, the Company has no significant liabilities.
- The Company's assets consist of readily realisable securities.
- The Company's operating costs are well covered by revenue income.
- Cash flows are closely matched to income and the company carries no material receivable balances.
- There is no litigation or other disputes outstanding against the Company.
- The Company maintains an adequate cash balance to manage its affairs in an orderly manner. The Portfolio consists of liquid securities which can be realised to generate additional cash balances if required.
- The Company, its Investment Manager, and all main service providers have switched, when required by law or regulation, to working from home or hybrid working since the beginning of the Covid 19 pandemic in 2020. No significant operational impacts have been noted resulting from this change of working practice.
- The Company's investment policy is to invest in renewable energy and other sustainable infrastructure. The Directors believe this is a relatively low risk area of equity investment with highly contracted revenue streams and policy support from governments.
- The Company does not have a material exposure to investments in Russia, and holds no investments listed or headquartered in Russia. The Company may hold investments which may have Russian investments, but these are not of a scale that would have a material impact on the Company's portfolio.

# Directors' Report continued

In taking these considerations into account, the Directors have also considered potential downside scenarios as set out below:

- A material fall in equity markets caused by increases in interest rates. The Company's investments may be subject to higher financial costs and adverse movements in valuation metrics as a result.
- The impact of higher inflation on the ability of investments held to maintain their earnings in real terms.
- The volatility of energy and other relevant commodity prices which may result in changes to revenues in portfolio companies.

For these reasons, the Directors consider that the use of the going concern basis is appropriate.

## Performance

An outline of the performance, market background, investment activity and portfolio strategy during the period under review, as well as the investment outlook, is provided in the Chairman's Statement and Investment Manager's report.

## Financial instruments

The Company invests in financial instruments which are valued at fair value. An analysis of the portfolio is provided in note 8 on page 64. Further information about financial instruments and capital disclosures is provided in note 21 on pages 69 to 75.

## Proxy voting as an institutional investor

Responsibility for actively monitoring the activities of companies in which the Company is invested has been delegated by the Board to the Investment Manager. The Investment Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the investee companies. The Investment Manager, in the absence of explicit instructions from the Board, is empowered to exercise discretion in the use of the Company's voting rights. Wherever practicable, the Investment Manager's policy is to vote all shares held by the Company.

## Annual General Meeting

THIS SECTION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take or about the contents of this document, you should immediately consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 (or in the case of recipients outside the United Kingdom, a stockbroker, bank manager, solicitor, accountant or other independent financial adviser).

If you have sold or otherwise transferred all of your shares in Premier Miton Global Renewables Trust PLC, please pass this document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The notice of the Annual General Meeting to be held on 28 April 2022 is set out on pages 85 to 90. Resolutions 1 to 10 will be proposed as ordinary resolutions and Resolutions 11 to 14 will be proposed as special resolutions.

The following explains the resolutions to be considered at the Meeting:

### To receive and adopt the Annual Accounts

The Directors are required to present the annual accounts for the year ended 31 December 2021, together with the strategic report, Directors' report and auditor's report on those accounts, to the meeting. These are contained in the Company's Annual Report. A resolution to receive and adopt the annual accounts, together with the strategic report, Directors' report and auditor's report is included as an ordinary resolution.

### Approval of the Directors' Remuneration Report

An advisory resolution to approve the Directors' remuneration report is included as an ordinary resolution. The Directors' remuneration report is set out on pages 38 to 41 of the Annual Report.

### Approval of the Company's dividend policy to continue to pay four interim dividends per year

An ordinary resolution to approve the Company's existing policy to pay four interim dividends per year is proposed to shareholders.

Under the Company's articles of association, the Board is authorised to approve the payment of interim dividends without the need for prior approval of the Company's shareholders.



## Directors' Report continued

However, having regard to corporate governance best practice relating to the payment of interim dividends without the approval of a final annual dividend by a company's shareholders, the Board has decided to seek express approval from shareholders of its dividend policy to pay four interim dividends per year. The policy remains unchanged to that disclosed in the Company's initial public offering prospectus and confirmed in the most recent prospectus published on 20 April 2016, which states that in the absence of unforeseeable circumstances, dividends will be paid on the Ordinary Shares quarterly, usually by way of interim dividend paid in June, September, December and March. Dividends are paid to the extent that they are covered by the income received from the Company's underlying investments, less operating and other costs. The distribution of surpluses from realisations of investments is prohibited by the Articles and such surpluses accrue to the benefit of the Company. The Company retains no more than 15 per cent. of its income derived from shares and securities in respect of any accounting period.

Notwithstanding the provisions of the Company's articles of association, it is the intention of the Board to refrain from authorising any further interim dividend payments until such time as the Company's dividend policy is approved by its shareholders. Accordingly, if Resolution 3 is not passed at the Annual General Meeting, it is the Board's intention to recommend the declaration of any future dividends to the Company's shareholders for approval in a general meeting until such time as an equivalent resolution approving the Company's dividend policy is approved by the shareholders.

### **Re-election of Directors**

In accordance with corporate governance best practice, Gill Nott, Melville Trimble and Victoria Muir will stand for re-election to the Board. The skills and experience of each director, which can be found on page 14 of the Annual Report, demonstrate why their contribution is, and continues to be, important to the Company's long-term sustainable success.

### **Reappointment of the Auditors of the Company and Auditor's remuneration**

At each meeting at which the Company's financial statements are presented to its members, the Company is required to appoint an auditor to serve until the next such meeting. The Board, on the recommendation of the Audit Committee, recommends the re-election of KPMG LLP and this will be proposed to the AGM as Resolution 7. Resolution 8 authorises the Audit Committee to determine the remuneration of KPMG LLP as auditors.

### **Authority to allot Ordinary Shares**

Resolutions 9 and 10, ordinary resolutions as set out in the Notice of AGM, if passed, will renew the Directors' authority to allot shares in accordance with statutory pre-emption rights. These resolutions will authorise the Board to allot:

- Ordinary Shares generally and unconditionally in accordance with section 551 of Companies Act 2006 up to an aggregate nominal value of £18,238.48, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM; and
- further Ordinary Shares generally and unconditionally in accordance with section 551 of Companies Act 2006 up to an additional aggregate nominal value of £18,238.48, representing approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM (Resolution 10).

If both of these resolutions are passed, shareholders will be granting the Directors authority to allot up to 20% of the Company's issued share capital. The Board believes that passing of Resolutions 9 and 10 is in the shareholders' interests as the authority is intended to be used for funding investment opportunities sourced by the Portfolio Manager, thereby mitigating any potential dilution of investment returns for existing shareholders, and the Directors will only issue new Ordinary Shares at a price above the prevailing NAV per Ordinary Share.

If only Resolution 9 is passed and Resolution 10 is not passed, shareholders will only be granting Directors the authority to allot up to 10% of the existing issued ordinary share capital of the Company.

These authorities, if given, will lapse at the conclusion of the 2023 AGM of the Company.

The Directors do not currently intend to allot shares other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the Company's shareholders to do so. In the event that Resolution 9 is not passed, Resolution 10 will not be proposed at the AGM.

# Directors' Report continued

## Authority to disapply pre-emption rights

Resolution 11, a special resolution, is being proposed to authorise the Directors to disapply the statutory pre-emption rights of existing shareholders in relation to the issue of shares under Resolution 9, for cash or the sale of shares out of treasury up to an aggregate nominal amount of £18,238.48, being approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM.

Resolution 12, a special resolution, is being proposed to authorise the Directors to disapply the statutory preemption rights of existing shareholders in relation to the further issue of shares under Resolution 10, for cash or the sale of shares out of treasury up to an aggregate nominal amount of £18,238.48, being approximately 10% of the Company's issued share capital (excluding treasury shares) as at the date of the Notice of AGM.

In respect of Resolutions 11 and 12, shares would only be issued at a price above the prevailing NAV per share. The Directors will only issue shares on a non-pre-emptive basis if they believe it would be in the best interests of the Company's shareholders. If both these resolutions are passed, shareholders will be granting the Directors authority to allot up to 20% of the Company's issued share capital on a non-pre-emptive basis. Although this percentage authority is higher than the authority typically sought by investment companies, the Board believes that in order to have the maximum flexibility to raise finance to enable the Company to take advantage of suitable opportunities, the passing of Resolutions 11 and 12 is in the shareholders' interests.

## Purchase by the Company of its own shares

At the Annual General Meeting held on 28 April 2021 a special resolution was passed, giving the Directors authority until the conclusion of the earlier of the 2022 Annual General Meeting and 28 October 2022, to make market purchases of up to a maximum of 2,711,463 Ordinary Shares. During the year to 31 December 2021 no Ordinary Shares were purchased (during the year ended 31 December 2020 no shares were purchased).

The Board proposes that the Company should be given renewed general authority to purchase Ordinary Shares in the market for cancellation in accordance with the Companies Act 2006 but subject to the provisions set out below. Resolution 13 of the AGM, which is a special resolution, is being proposed for this purpose.

It is proposed that the Company be authorised to purchase on the London Stock Exchange up to 2,733,948 Ordinary Shares (representing 14.99% of the Company's issued share capital as at 8 March 2022) provided that:

- (a) Ordinary Shares may only be purchased at prices below their prevailing net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchase and taking into account the costs of the repurchase) and where:
  - (i) the Cover of the ZDP Shares issued by PMGR Securities 2025 PLC ("ZDP Shares") would not be reduced below 1.75 times; or
  - (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchase, in each case as determined by the Directors as at a date falling not more than 10 days before the date of repurchase and taking account of any purchases of ZDP Shares proposed to be made at or about the same time; or
- (b) Ordinary Shares and ZDP Shares may be purchased in such proportions and at such prices so as to effect an increase in the net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchases and taking into account the costs of the repurchases) and where:
  - (i) the Cover of the ZDP Shares would not be reduced below 1.75 times; or
  - (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchases, in each case as determined by the Directors as at a date falling not more than 10 days before the date of repurchases.

Repurchases of Ordinary Shares will be made at the discretion of the Board within guidelines set from time to time by the Board and only when market conditions are considered by the Board to be appropriate and in accordance with the Listing Rules.

Under London Stock Exchange rules, the maximum price to be paid on any exercise of the authority in respect of Ordinary Shares must not exceed the higher of (i) 105% of the average of the middle market quotations for a share for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade in the Ordinary Shares and the highest then current independent bid for the Ordinary Shares on the London Stock Exchange. The authority to purchase shares will last until the Annual General Meeting of the Company in 2023, or 28 October 2023, whichever is the earlier.

# Directors' Report continued

## Notice Period for General Meetings

Resolution 14 is a special resolution that will give the Directors the ability to convene general meetings, other than annual general meetings, on a minimum of 14 clear days' notice. The minimum notice period for annual general meetings will remain at 21 clear days. This authority would provide the Company with flexibility where action needs to be taken quickly but will only be used where the Directors consider it in the best interests of shareholders to do so and the matter to be considered is required to be dealt with expediently. The approval will be effective until the 2023 Annual General Meeting of the Company, at which time it is intended that renewal will be sought.

## Recommendation

**Your Board considers that the above resolutions are in the best interests of the Company and its members as a whole and are likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of the resolutions as they intend to do in respect of their own beneficial shareholdings amounting to 25,552 Ordinary Shares.**

## Companies Act 2006 Disclosures

In accordance with Section 992 of the Companies Act 2006 the Directors disclose the following information:

- the Company's capital structure and voting rights are summarised on page 28, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- there exist no securities carrying special rights with regard to the control of the Company;
- details of the substantial shareholders in the Company are listed on page 28;
- the Company does not have an employee share scheme;
- the rules concerning the appointment and replacement of Directors, amendment of the Articles of Association and powers to issue or buy back the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- there exist no agreements to which the Company is party that may affect its control following a takeover bid; and
- there exist no agreements between the Company and its Directors providing for compensation for loss of office that may occur because of a takeover bid.

## Requirements of the Listing Rules

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a table indicating where the information is set out. Details of the shares issued during the year are set out on page 29 in accordance with Listing Rule 9.8.4(7). The Directors confirm that there are no additional disclosures to be made in relation to Listing Rule 9.8.4.

## Auditor

KPMG LLP were appointed as Auditor on 13 November 2017 and a resolution confirming their reappointment and to authorise the Audit Committee to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

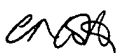
## Financial statements

The financial statements have been prepared under UK-adopted international accounting standards and applicable law.

## Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

By Order of the Board



**Gillian Nott OBE**  
Chairman

8 March 2022

# Statement of Corporate Governance

## Introduction

As a UK-listed investment trust the Company's principal reporting obligation is driven by the UK Corporate Governance Code (the "UK Code") issued by the Financial Reporting Council in July 2018. However, as listed investment trusts differ from other listed companies in many ways, the Association of Investment Companies has drawn up its own set of guidelines, the AIC Code of Corporate Governance (the "AIC Code") which addresses the governance issues relevant to investment companies and has been endorsed by the Financial Reporting Council.

The Board of Premier Miton Global Renewables Trust PLC (the "Company") has considered the Principles and Provisions of the AIC Code. The AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council provides more relevant information to shareholders.

The Company has complied with the Principles and Provisions of the AIC Code, with the exception that a senior non-executive Director has not been identified due to the small size of the Board. The Chairman of the Company was independent of the Investment Manager at the time of her appointment as an independent non-executive Director and is deemed to be independent by the other Board members.

The AIC Code is available on the AIC website ([www.theaic.co.uk](http://www.theaic.co.uk)). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

## Board of Directors

The Board consists of three non-executive Directors at the date of this report all of whom are independent of the Investment Manager. Their biographies are set out on page 14. Collectively the Board believes it has the requisite range of business and financial experience which enables it to provide clear and effective leadership and proper stewardship of the Company.

The number of meetings of the Board and its Committees held during the financial year and the attendance of individual Directors are shown below:

|                                       | Board    | Audit Committee | Nomination Committee | Remuneration Committee | Management Engagement Committee |
|---------------------------------------|----------|-----------------|----------------------|------------------------|---------------------------------|
| <b>Number of meetings in the year</b> | <b>4</b> | <b>3</b>        | <b>2</b>             | <b>1</b>               | <b>1</b>                        |
| Gillian Nott OBE                      | 4        | 3               | 2                    | 1                      | 1                               |
| Melville Trimble                      | 4        | 3               | 2                    | 1                      | 1                               |
| Victoria Muir                         | 4        | 3               | 2                    | 1                      | 1                               |

The Board meets at least four times during the year to review investment performance, financial reports and other matters set out in the schedule of matters reserved for the Board. Board or Board Committee meetings will also be held on an ad hoc basis to consider issues as they arise. Key representatives of the Investment Manager attend each meeting and between meetings there is regular contact with the Manager and Investment Manager.

The Board deals with the Company's affairs, including the setting of gearing and investment policy parameters, the monitoring of gearing and investment policy and the review of investment performance. The Investment Manager takes decisions as to asset allocation and the purchase and sale of individual investments. The Board papers circulated before each meeting contain full information on the financial condition of the Company. Key representatives of the Investment Manager attend the Board meetings, enabling Directors to probe further or seek clarification on matters of concern.

Matters specifically reserved for discussion by the full Board have been defined and a procedure adopted for the Directors to take independent professional advice if necessary, at the Company's expense.

In accordance with the Articles of Association, new Directors stand for election at the first Annual General Meeting following their appointment. The Articles require that at least one third of the Directors retire by rotation each year and seek re-election at the Annual General Meeting. However, the Board has taken the decision to adopt corporate governance best practice resulting in annual re-election for all Directors.

# Statement of Corporate Governance continued

## Performance evaluation/re-election of Directors

An appraisal process has been established to review the effectiveness of the Board, its Committees and individual Directors. The Chairman considers each year whether the appraisal process should be carried out by an external party and concluded in respect of 2021 that it was appropriate to continue to conduct the process internally by way of a questionnaire, a method considered appropriate and proportional to the Company and which historically has generated useful results. Results of the evaluation were collated by the Company Secretary and provided to the Chairman for analysis, who then discussed the findings with the Board. The other Directors also met to evaluate the performance of the Chairman.

The appraisal process is considered by the Board to be constructive in terms of identifying areas for improvement in the performance of the Board and its Committees and the contribution of individual Directors, as well as building on, and developing, individual and collective strengths. There were no significant actions arising from the evaluation process for the year under review. It was agreed that the current composition of the Board and its Committees reflected a suitable mix of skills and experience and that the Board as a whole, the individual Directors and its Committees, were functioning effectively. The Board also noted the importance of the Company's ESG agenda during the review of the Board's performance and have scheduled a separate strategy session to consider ESG and other key matters for the Company in 2022 and future years.

## Directors' appointment, retirement and rotation

The rules concerning the appointment, retirement and rotation of Directors are set out in the Directors' Report on page 27. The Board recognises the value of progressive renewing of, and succession planning for company boards. The refreshment of the Board will remain an ongoing process to ensure that the Board is well-balanced through the appointment of new Directors with the skills and experience necessary.

Directors must be able to demonstrate commitment to the Company including in terms of time.

## Committees

The Board believes that the interests of shareholders in an investment trust company are best served by limiting the size of the Board such that all Directors can participate fully in all the activities of the Board. It is for this reason that the membership of the Committees is the same as that for the Board as a whole.

Each Committee's terms of reference were last reviewed and approved by the Board on 3 November 2021 and are available to view on the Investment Manager's website at: <https://www.globalrenewablestrust.com/documents/>

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Audit Committee</b>      | <p>Mr Melville Trimble is the Chairman of the Audit Committee. Further details are given in the Report of the Audit Committee on pages 42 to 44.</p> <p>As the Company has no employees it does not need to deal with arrangements for staff to raise concerns in confidence about possible improprieties in respect of financial reporting or other matters. The Audit Committee has, however, confirmed with the Investment Manager and the administrator that they do have "whistle blowing" policies in place for their staff.</p>                                                                        |
| <b>Nomination Committee</b> | <p>Mrs Gillian Nott is the Chairman of the Nomination Committee which operates within defined terms of reference.</p> <p>The role of the Committee is to review the Board structure, size and composition, the balance of knowledge, experience and skill ranges and to consider succession planning and tenure policy.</p> <p>Appointments of new Directors will be made on a formalised basis, with the Committee agreeing the selection criteria and the method of selection, recruitment and appointment. The services of an external search consultant may be used to identify potential candidates.</p> |

## Statement of Corporate Governance continued

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Remuneration Committee</b>          | <p>Ms Victoria Muir is the Chairman of the Remuneration Committee which operates within defined terms of reference.</p> <p>As the Company is an investment trust and all Directors are non-executive the Company is not required to comply with the UK Code in respect of executive Directors' remuneration. Directors' fees are set out in the Directors' Remuneration Report on pages 38 to 41.</p>  |
| <b>Management Engagement Committee</b> | <p>Mrs Gillian Nott is the Chairman of the Management Engagement Committee which operates within defined terms of reference.</p> <p>The Management Engagement Committee is responsible for reviewing the performance of the Investment Manager and all the Company's other service providers, their terms of appointment and remuneration. The Committee meets annually or more often if required.</p> |

### Risk management and internal control

The UK Corporate Governance Code requires the Directors, at least annually, to review the effectiveness of the Company's system of risk management and internal control and to report to shareholders that they have done so. This encompasses a review of all controls, which the Board has identified as including business, financial, operational, compliance and risk management.

The Directors are responsible for the Company's system of risk management and internal controls which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can only be designed to manage rather than eliminate the risk of failure to achieve business objectives and therefore can only provide reasonable, but not absolute, assurance against fraud, material misstatement or loss.

The Board is primarily responsible for the monitoring and review of risks associated with investment matters and the Audit Committee is primarily responsible for other risks.

As the Board has contractually delegated to other companies the investment management, the depositary services and the day-to-day accounting and company secretarial requirements, the Company relies significantly upon the system of risk management and internal controls operated by those companies. Therefore, the Directors have concluded that the Company should not establish its own internal audit function but will review this decision annually.

A risk map, or risk register, has been considered at all regular meetings of the Board and Audit Committee. The risk map sets out the principal risks identified by the Board, together with the actions taken to mitigate these risks. As part of the risk review process, regular reports are received from the Investment Manager on all investment related matters including compliance with the investment mandate, the performance of the portfolio compared with relevant indices and compliance with investment trust status requirements. The Board also receives, and reviews reports from the depositary, the broker and the company secretary on its internal controls and their operation, which are reviewed by their auditors and give assurance regarding the effective operation of controls.

The Board regularly reviews the terms of the investment management contract.

The Board confirms that appropriate procedures to review the effectiveness of the Company's system of risk management and internal control have been in place, throughout the year and up to the date of this report, which cover all controls including financial, operational and compliance controls and risk management. An assessment of risk management and internal control, which includes a review of the Company's risk map, an assessment of the quality of reports on internal control from the service providers and the effectiveness of the Company's reporting process, is carried out on an annual basis.

# Statement of Corporate Governance continued

## **Evaluation of the Investment Manager's performance**

The investment performance is reviewed at each regular Board meeting at which representatives of the Investment Manager are required to provide answers to any questions raised by the Board. The Board has instigated an annual formal review of the Investment Manager which includes consideration of:

- performance compared with relevant indices;
- investment resources dedicated to the Company;
- investment management fee arrangements and notice period compared with the peer group; and
- the marketing effort and resources provided to the Company.

The Board believes that the Investment Manager has served the Company well in terms of investment performance and proposes to continue its appointment.

## **The Company Secretary**

The Board has direct access to the advice and services of the Company Secretary, Link Company Matters Limited, which is responsible for ensuring that Board and Committee procedures are followed and that applicable regulations are complied with. The Secretary is also responsible to the Board for ensuring timely delivery of information and reports and that statutory obligations of the Company are met.

Individual Directors may take independent professional advice on any matter concerning them in the furtherance of their duties at the Company's expense.

## **Disclosure Guidance and Transparency Rules**

Other information required to be disclosed pursuant to the Disclosure Guidance and Transparency Rules has been placed in the Directors' Report on pages 26 to 33 as it is information that refers to events which have taken place during the year.

By Order of the Board



**Melville Trimble**

Director

8 March 2022

# Directors' Remuneration Report

## Introduction

This report is prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2015 and in accordance with the Listing Rules of the Financial Conduct Authority and the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the shareholders at the forthcoming Annual General Meeting.

The Company's Remuneration Policy was put to shareholders and approved by ordinary resolution at the Annual General Meeting held on 22 April 2020 under Section 439 of the Companies Act 2006. There have been no changes to this policy, and it is expected to continue in force until the Annual General Meeting in 2023.

The Company is not able to make remuneration payments to a Director, or loss of office payments to a current or past director, unless the payment is consistent with the approved policy or has otherwise been approved by the shareholders.

The law requires your Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in their report on pages 46 to 51.

## Remuneration Committee

The Remuneration Committee comprises the whole Board, all of whom are independent. Ms Muir is the Chairman of the Remuneration Committee which operates within defined terms of reference. All Directors are non-executive, appointed under the terms of Letters of Appointment, and none has a service contract. The Company has no employees. The Company Secretary will be asked to provide advice when the Directors consider the level of Directors' fees. No professional adviser was consulted in the year for setting the level of Directors' fees.

## Directors' beneficial and family interests (audited)

There is no requirement for the Directors to hold shares in the Company. The interests of the Directors and their families in the Ordinary Shares of the Company were as follows:

|                  | Ordinary Shares at<br>31 December 2021 | Ordinary Shares at<br>31 December 2020 |
|------------------|----------------------------------------|----------------------------------------|
| Gillian Nott OBE | 15,000                                 | 15,000                                 |
| Melville Trimble | 4,869                                  | –                                      |
| Victoria Muir    | 5,641                                  | 5,641                                  |

The interests of the Directors and their families in the Ordinary Shares of the Company as at the date of this Report are as follows:

|                   | Ordinary Shares at 8 March<br>2022 |
|-------------------|------------------------------------|
| Gillian Nott OBE  | 15,000                             |
| Melville Trimble* | 4,911                              |
| Victoria Muir     | 5,641                              |

\*Additional shares were acquired by Melville Trimble through a Dividend reinvestment plan.

The interests of the Directors and their families in the Zero Dividend Preference Shares of the subsidiary, PMGR Securities 2025 PLC, were as follows:

|                  | ZDP Shares at<br>31 December 2021 | ZDP Shares at<br>31 December 2020 |
|------------------|-----------------------------------|-----------------------------------|
| Gillian Nott OBE | –                                 | –                                 |
| Melville Trimble | 4,466                             | –                                 |
| Victoria Muir    | 5,641                             | 5,641                             |



# Directors' Remuneration Report

## Directors' remuneration policy

The Board's policy is that the remuneration of non-executive Directors should reflect the experience of the Board as a whole and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have similar investment objectives. This Directors' Remuneration Policy will continue in force until the Annual General Meeting in 2023.

The fees for the non-executive Directors are determined within the aggregate limits of £150,000 set out in the Company's Articles of Association. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. Directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in connection with the performance of their duties and attendance at Board, general and committee meetings.

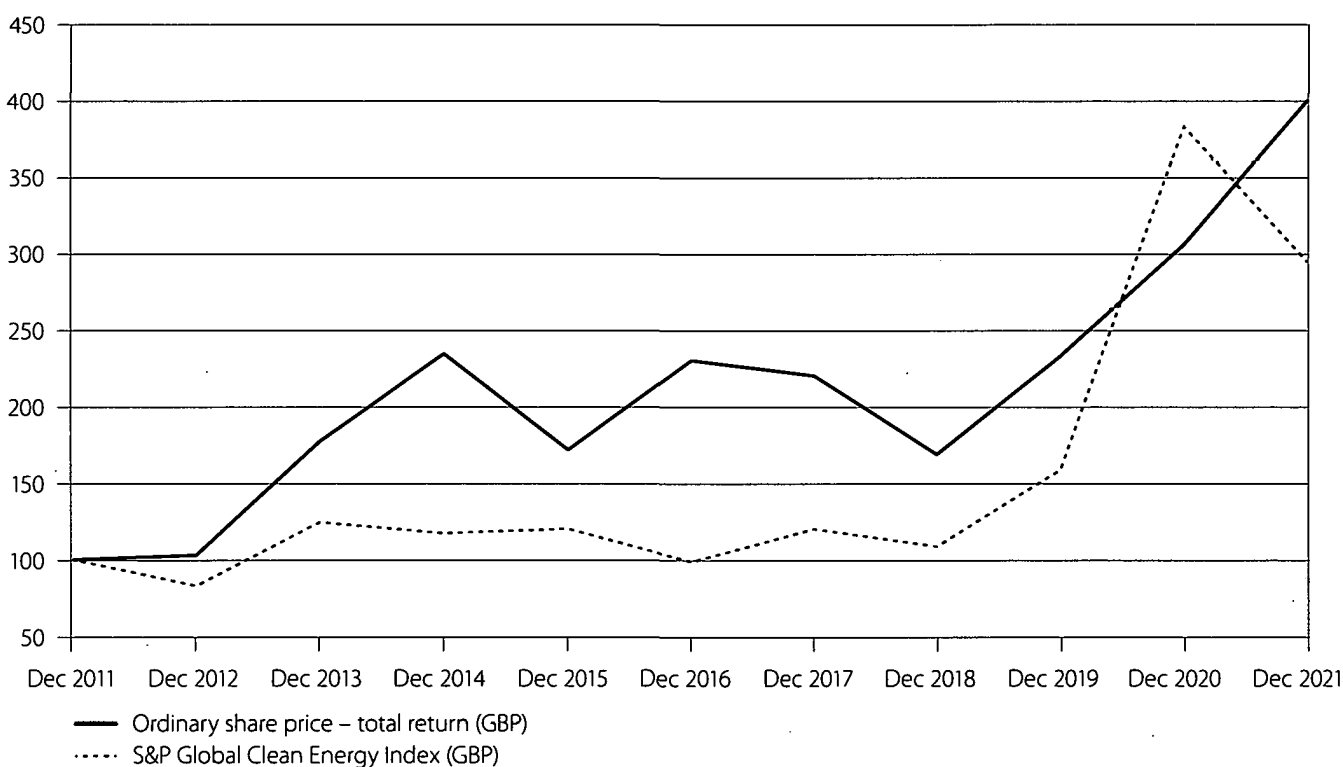
No Director has a service contract. However, Directors have a Letter of Appointment. Directors do not receive exit payments and are not provided with any compensation for loss of office. Copies of the Letters of Appointment are available for inspection at the registered office of the Company. Directors' and officers' insurance is maintained and paid for by the Company on behalf of the Directors.

## Your Company's performance

For the purposes of this report the Board is required to select an index against which the Company's performance can be measured. The Board has decided it should be the S&P Global Clean Energy Index.

The graph below shows the ten-year total return (assuming all dividends are reinvested) to Ordinary Shareholders against the S&P Global Clean Energy Index on a total return basis, restated in GBP, from 31 December 2011 to 31 December 2021.

### Ten year total return share price performance (rebased to 100)



# Directors' Remuneration Report continued

## Annual Report on Remuneration

### Directors' emoluments for the year (audited)

The Directors who served in the year received the following emoluments in the form of fees and expenses:

|                  | Fees<br>Year ended<br>31 December<br>2021<br>£ | Expenses<br>Year ended<br>31 December<br>2021<br>£ | Total<br>Year ended<br>31 December<br>2021<br>£ | Fees<br>Year ended<br>31 December<br>2020<br>£ | Expenses<br>Year ended<br>31 December<br>2020<br>£ | Total<br>Year ended<br>31 December<br>2020<br>£ |
|------------------|------------------------------------------------|----------------------------------------------------|-------------------------------------------------|------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
| Gillian Nott OBE | 27,500                                         | 135                                                | 27,635                                          | 26,000                                         | –                                                  | 26,000                                          |
| Melville Trimble | 21,875                                         | 547                                                | 22,422                                          | 20,000                                         | 231                                                | 20,231                                          |
| Victoria Muir    | 19,500                                         | 120                                                | 19,620                                          | 18,000                                         | 32                                                 | 18,032                                          |
| Total            | 68,875                                         | 802                                                | 69,677                                          | 64,000                                         | 263                                                | 64,263                                          |

Since 1 April 2021, the Chairman received a fee of £28,000 per annum, the Chairman of the Audit Committee received a fee of £22,500 per annum and the other Director received a fee of £20,000 per annum. There were no payments to third parties included in the fees referred to in the table above. There are no further fees to disclose as the Company has no employees, chief executives or executive directors.

The 2020 Directors' Remuneration Report stated that the last pay increase was in 2012 and since that time the fees had fallen behind both inflation and the fees at similarly sized investment trusts. Given this, plus the increased workload expected of all Directors in light of the evolving legal and governance landscape, a partial fee adjustment was made in 2021. At the Remuneration Committee meeting on 2 March 2022, the members reviewed the Directors' fees against other investment trusts of a similar size and sector. In order for the fees to be competitive the Committee resolved that, effective 1 April 2022, the Chairman will receive a fee of £30,000 per annum, the Chairman of the Audit Committee £25,000 and other Directors £22,000 per annum.

### Expected fees for the year to 31 December 2022 £

|                                 |        |
|---------------------------------|--------|
| Chairman                        | 30,000 |
| Chairman of the Audit Committee | 25,000 |
| Non-executive Director          | 22,000 |

### Annual percentage change in Directors' remuneration

The following table sets out the annual percentage change in Directors' fees for the years ending 31 December 2020 and 31 December 2021.

| Director                                     | % from 2020 to 2021 | % from 2019 to 2020 |
|----------------------------------------------|---------------------|---------------------|
| Gill Nott (Chairman)                         | 5.8%                | 0.0%                |
| Melville Trimble* (Audit Committee Chairman) | 9.4%                | –                   |
| Victoria Muir                                | 8.3%                | 0.0%                |

\*Appointed 25 April 2019.

# Directors' Remuneration Report continued

## Relative Importance of Spend on Remuneration

To enable shareholders to assess the relative importance of spend on pay, this has been shown in the table below compared with the management fee and dividend distributions. As the Company has no employees, no consideration is required to be given to employment conditions elsewhere in setting Directors' pay.

|                                                | 2021<br>£000 | 2020<br>£000 | Change<br>£000 |
|------------------------------------------------|--------------|--------------|----------------|
| <b>For the year ended 31 December</b>          |              |              |                |
| Spend on Directors' fees <sup>1</sup>          | 69           | 64           | 5              |
| Management fee and other expenses <sup>2</sup> | 739          | 868          | (129)          |
| Dividend payments                              | 1,447        | 1,844        | (397)          |

1 As the Company has no employees, the total spent on remuneration comprises fees and taxable benefits paid to Directors.

2 The items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 ss.20 with the exception of the management fee and other expenses, which have been included because the Directors believe it will help shareholders' understanding of the relative importance of the amount spent on pay. The figures for this measure are the same as those shown in notes 3 and 4 of the financial statements.

## Voting at last Annual General Meeting

The Directors' Remuneration Report for the year ended 31 December 2020 was approved by shareholders at the Annual General Meeting of the Company held on 28 April 2021. The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting of the Company held on 22 April 2020. The votes cast in respect of the resolutions were:

| Year | Resolution                                 | For       | %     | Against | %    | Withheld |
|------|--------------------------------------------|-----------|-------|---------|------|----------|
| 2021 | Approve the Directors' Remuneration Report | 1,594,591 | 97.63 | 38,733  | 2.37 | 21,374   |
| 2020 | Approve the Remuneration Policy            | 4,112,158 | 90.00 | 43,273  | 1.00 | 53,702   |

The Remuneration Policy will be put to shareholders for approval at the Company's AGM in 2023.

## Approval

An ordinary resolution for the approval of the Directors Remuneration Report for the year ended 31 December 2021 will be proposed at the forthcoming Annual General Meeting. Shareholders have the opportunity to express their views and raise any questions in respect of remuneration at this meeting.

In the event that there was a substantial vote against any resolution proposed at the Annual General Meeting, the reasons for any such vote would be sought and appropriate action taken. Should the vote be against resolutions in relation to the Directors' remuneration, further details will be provided in future Directors' Remuneration Reports.

By Order of the Board



**Victoria Muir**

Chairman of the Remuneration Committee

Signed on behalf of the Board of Directors

8 March 2022

# Audit Committee Report

As Chairman of the Audit Committee, I am pleased to present the report of the Audit Committee for the year ended 31 December 2021.

## Composition

The composition and summary terms of reference of the Audit Committee are set out on page 35. The Audit Committee comprises the whole Board, all of whom are independent. The Association of Investment Companies published its updated Code of Corporate Governance in February 2019 which has been endorsed by the Financial Reporting Council. It states that the Chairman of the Board should not chair the Committee but can be a member if they were independent on appointment. The Chairman of the Company is a member of the Committee to bring the benefit of her knowledge and experience to the discussions and to ensure she is fully informed of any issues which may arise.

The Directors' biographies are given on page 14 and the Board considers that at least one member of the Committee has competence in accounting and/or auditing and the Committee as a whole has competence relevant to the sector in which the Company operates.

## Activities

The Audit Committee met in July 2021 and considered the form and content of the Company's half year report to 30 June 2021 and met again in November 2021 to review the audit planning proposal from KPMG LLP for the 2021 audit and the terms of their engagement letter.

The Audit Committee met again in March 2022 and reviewed the outcome of the audit work and the final draft of the financial statements for the year ended 31 December 2021. During this review the Audit Committee met with representatives of both the Investment Manager and the Administrator and sought assurances where necessary. The external Auditor attended the year-end Audit Committee meeting and presented a report on the audit findings.

The Audit Committee reviewed the key risks of the Company and the internal control framework operating to control risk. The Audit Committee examined the risks to the Company and analysed the impact and likelihood of all of those risks. A list has been drawn up of those where the combination of impact and likelihood represents a material threat and those will be monitored closely.

The Audit Committee met with the Investment Manager's Head of Legal and Compliance and Chief Risk Officer and received updates on the structure of both functions and their approach to risk, compliance and internal controls in respect of the Company.

The Audit Committee also considered the need for the Company to have its own internal audit function and agreed this was not necessary for the Company. The Audit Committee receives and reviews updates from the Investment Manager in respect of their internal audit reports relevant to the Company.

## Non-audit services

Contracts for non-audit services must be notified to the Audit Committee who consider any such engagement in the light of the requirement to maintain audit independence. No other services are provided by the Auditor and it is the Company's policy not to seek substantial non-audit services from its Auditor.

During the year the value of non-audit services provided by KPMG LLP amounted to £nil (31 December 2020: £nil).

## Auditor and audit tenure

Following a competitive tender process in 2017 KPMG LLP were appointed as the Company's external auditor for the year ended 31 December 2017 and Philip Merchant has been the audit partner since that time. In accordance with the Financial Reporting Council's Revised Ethical Standard 2019, the audit partner must rotate at least every five years. As this is Mr. Merchant's fifth year as audit partner, he will rotate out of this role during 2022. The Committee commenced discussions around succession planning arrangements during 2021 and in March 2022 noted the expected appointment of Bano Sheikh as audit partner for the Company.

The Company will put the external audit out to tender at least every ten years, and change auditors at least every twenty years. The Company will put the audit out to tender for the 2027-year end. The Committee will, however, continue to consider annually the need to go to tender for audit quality, independence, or other reasons.

# Audit Committee Report continued

## Cyber security

Cyber security is an increasing threat to all businesses and the finance sector was cybercrime's biggest victim. The Committee takes this seriously and request that service providers provide their security policies and reports, including assurance reports in respect of internal controls, in order for the Audit Committee to assess any potential risks to the Company and to gain as much comfort as possible to this growing threat.

## Significant issues for the Audit Committee

The Audit Committee identified the following significant issues:

1. ***Risks around the existence and valuation of the investments.***
2. ***The accuracy of the calculation of management fees***
3. ***The risk that income is overstated, incomplete or inaccurate through failure to recognise proper income entitlements or to apply the appropriate accounting treatment for recognition of income.***
4. ***Management override of controls.***

The Committee concluded that suitable procedures had been implemented to obtain reasonable assurance that the Financial Statements as a whole would be free of material misstatements. Specifically with reference to the highlighted issues, the Committee's main responsibilities during the year were:

1. The Company's assets are principally invested in listed equities. The Committee reviewed internal control reports from the Investment Manager in the year reporting on the systems and controls around the pricing and valuation of securities. As more fully explained in note 1(h) on page 59 at the year ended 31 December 2021 the Committee agreed that the fair value of investments is the bid market price for listed investments. The Committee also agreed that the valuation of the unquoted investment together with the wholly-owned subsidiaries, PMGR Securities 2025 PLC and PGIT Securities 2020 PLC (in liquidation), each, valued at £50,000 at 31 December 2021, is appropriate. All unquoted investments are subject to review both by the Investment Manager, the Audit Committee and the Auditor.
2. The investment management fee is calculated in accordance with the contractual terms in the investment management agreement by the administrator.
3. The Board regularly reviews income forecasts and receives explanations from the Investment Manager and administrator for any variations or significant movements from previous forecasts and prior year figures.
4. The Audit Committee reviews terms of agreement with service providers, Premier Fund Managers Limited, Premier Portfolio Managers Limited and Northern Trust, to confirm their independence from the Company. They assess the ability of any member of the Investment Manager or Board to circumvent controls to fraudulently alter company financial results or undertake fraudulent transactions.

## Financial statements

These financial statements have been prepared under UK-adopted international accounting standards and applicable law.

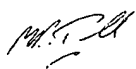
The Audit Committee meets at least three times a year and is responsible for reviewing the annual and half yearly reports, the nature and scope of the external audit and the findings thereon, and the terms of appointment of the Auditor, including their remuneration and the provision of any non-audit services by them. The Audit Committee has considered the independence of the Auditor and the objectivity of the audit process and is satisfied that KPMG LLP is independent and has fulfilled its obligations to shareholders. The Audit Committee has satisfied itself as to the Auditor's effectiveness, objectivity, independence and the competitiveness of its fees before recommending their reappointment at the Annual General Meeting. To comply with current legislation, the Company will review the option to re-tender the external audit on a regular basis.

The Audit Committee meets representatives of the Investment Manager and its Compliance Officer who report as to the proper conduct of business in accordance with the regulatory environment in which both the Company and the Investment Manager operate and reviews the Investment Manager's internal controls. The Group's external Auditor also attends this Committee at its request and report on their findings in relation to the Group's statutory audit.

## Audit Committee Report continued

As part of the day-to-day controls of the Group there are regular reconciliations between the accounting records and the records kept by the depositary of the assets they safeguard which are owned by the Group. During the year and at the year-end there were no matters brought to light which call in to question that the key controls in this area were not working, or that the existence of assets recorded in the books of account are not held in safe custody.

In finalising the financial statements for recommendation to the Board for approval the Committee has considered whether the going concern principle is appropriate (as described on pages 29 and 30) and concluded that it is. The Audit Committee has also satisfied itself that the Annual Report and financial statements taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy. All of the above were satisfactorily addressed through consideration of reports provided by, and discussed with, the Investment Manager and the Auditor. The Board as a whole have approved the conclusions arrived at by the Audit Committee as disclosed on page 45 Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements.



**Melville Trimble**

Chairman of the Audit Committee

8 March 2022

# Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

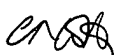
## **Responsibility of the Directors in respect of the annual financial report**

We confirm to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

For and on behalf of the Board



**Gillian Nott OBE**

Chairman

8 March 2022



# Independent auditor's report

## to the members of Premier Miton Global Renewables Trust PLC

### 1. Our opinion is unmodified

We have audited the financial statements of Premier Miton Global Renewables Trust PLC ("the Company") for the year ended 31 December 2021 which comprise the Group Income Statement, Consolidated and Company Balance Sheets, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Cashflow Statements and the related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's return for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 13 November 2017. The period of total uninterrupted engagement is for the five financial years ended 31 December 2021. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

#### Overview

**Materiality:** £535k (2020: £459k)  
group financial statements as a whole 1% (2020: 1%) of Total assets

**Coverage** 100% (2020: 100%) of group total assets

#### Key audit matters vs 2020

**Recurring risks** Carrying amount of quoted investments ◀▶



## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2020), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

|                                                                                                                                                                                                                                                                                                                                | The risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Our response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Carrying amount of quoted investments -</b></p> <p><b>(Group and Parent Company Key Audit Matter)</b></p> <p>(£52.7 million; 2020: £45.2 million)</p> <p><i>Refer to page 43 (Audit Committee Report), page 59 (accounting policy) and note 8 and 21 (g) on page 64 and 73 respectively (financial disclosures).</i></p> | <p><b>Low risk, high value</b></p> <p>The Group's portfolio of quoted level 1 investments makes up 98.4% (2020: 98.5%) of the Group's total assets (by value) and is considered to be one of the key drivers of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be one of the areas which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p> | <p>We performed the detailed tests below rather than seeking to rely on controls, because the nature of the balance is such that detailed testing is determined to be the most effective manner of obtaining audit evidence.</p> <p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Test of detail:</b> Agreeing the valuation of 100% of level 1 quoted investments in the portfolio to externally quoted prices; and</li> <li>— <b>Enquiry of custodians:</b> Agreeing 100% of level 1 quoted investment holdings in the portfolio to independently received third party confirmations from investment custodians.</li> </ul> <p><b>Our results</b></p> <ul style="list-style-type: none"> <li>— We found the carrying amount of quoted level 1 investments to be acceptable (2020: acceptable).</li> </ul> |

### 3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £535k (2020: £459k), determined with reference to a benchmark of Group total assets, of which it represents 1% (2020: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole, which equates to £401k (2020: £344k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

Materiality for the Parent Company financial statements as a whole was set at £508k (2020: £436k). This is lower than the materiality we would otherwise have determined by reference to total assets, and represents 0.95% of the Parent Company total assets (2020: 0.95%). Performance materiality was set at 75% (2020: 75%) of materiality for the financial statements as a whole which equates to £381k (2020: £327k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

In addition, we applied materiality of £68k (2020: £100k) and performance materiality of £51k (2020: £75k) to income (as disclosed in note 2) for which we believe misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence Company's members' assessment of the financial performance of the Group.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £26k (2020: £23k) for the Group, £25k (2020: £21k) for the Parent Company, and £6k in relation to Income (2020: 10k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was undertaken to the materiality level specified above and was performed by a single audit team.

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

**Total Assets**  
£53.6m (2020: £45.8m)

**Group materiality**  
£535k (2020: £459k)

**£ 535k**  
Whole financial statements materiality (2020: £459k)

**£401k**  
Performance materiality (2020: £344k)

**£ 68k**  
Materiality for income (2020: £100k)

**£26k**  
Misstatements reported to the Audit Committee (2020: £23k)

### 4. Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group and the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over its ability to operate over this period were:

- the impact of a significant reduction in the valuation of investments;
- the liquidity of the investment portfolio and its ability to meet the liabilities of the Group and Company as and when they fall due; and
- the operational resilience of key service organisations.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's and Company's current and projected cash and liquid investment position (and the results of a reverse stress test).



#### 4. Going concern (continued)

We considered whether the going concern disclosure in note 1.1 (a) to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and related sensitivities.

Our conclusions based on this work:

- We consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- We have nothing material to add or draw attention to in relation to the Directors' statement in note 1.1(a) to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group's and Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1.1 (a) to be acceptable; and
- the related statement under the Listing Rules set out on page 29 and 30 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

#### 5. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Group and Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Assessing the segregation of duties in place between the Directors, the Administrator and the Group and Company's Investment Manager; and
- Reading Board and Audit Committee minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular to the risk that management may be in a position to make inappropriate accounting entries. We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We substantively tested all material post-closing entries and, based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

On this audit we have rebutted the fraud risk related to revenue recognition because the revenue is non-judgemental and straightforward, with limited opportunity for manipulation. We did not identify any significant unusual transactions or additional fraud risks.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors, the Investment Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations. As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and Parent Company's qualification as an Investment Trust under UK taxation legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We assessed the legality of the distributions made by the Company in the period based on comparing the dividends paid to the distributable reserves prior to each distribution, including consideration of interim accounts filed during the year.



## 5. Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection, bribery and corruption legislation and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## 6. We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

### Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within Viability statement on page 16 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Emerging and Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the Viability statement, set out on page 16 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.



## **6. We have nothing to report on the other information in the Annual Report (continued)**

Disclosures of emerging and principal risks and longer-term viability (continued)

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

### **Corporate governance disclosures**

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

## **7. We have nothing to report on the other matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.



## **8. Respective responsibilities**

### **Directors' responsibilities**

As explained more fully in their statement set out on page 45, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

## **9. The purpose of our audit work and to whom we owe our responsibilities**

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.

**Philip Merchant (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
8 March 2022

# Group Income Statement

for the financial year ended 31 December 2021

|                                                                | Notes | Year ended 31 December 2021 |                 |               | Year ended 31 December 2020 |                 |               |
|----------------------------------------------------------------|-------|-----------------------------|-----------------|---------------|-----------------------------|-----------------|---------------|
|                                                                |       | Revenue<br>£000             | Capital<br>£000 | Total<br>£000 | Revenue<br>£000             | Capital<br>£000 | Total<br>£000 |
| Gains on investments held at fair value through profit or loss | 8     | –                           | 7,469           | 7,469         | –                           | 5,028           | 5,028         |
| Gains on derivative financial instruments                      |       | –                           | –               | –             | –                           | 2,894           | 2,894         |
| Gains/(losses) on forward currency contracts                   | 13    | –                           | 405             | 405           | –                           | (541)           | (541)         |
| Losses on foreign exchange                                     |       | (2)                         | (42)            | (44)          | (1)                         | (94)            | (95)          |
| Income                                                         | 2     | 1,969                       | –               | 1,969         | 2,471                       | –               | 2,471         |
| Investment management fee                                      | 3     | (141)                       | (211)           | (352)         | (160)                       | (240)           | (400)         |
| Other expenses                                                 | 4     | (456)                       | –               | (456)         | (532)                       | –               | (532)         |
| Reconstruction costs                                           | 4     | –                           | (43)            | (43)          | –                           | (406)           | (406)         |
| <b>Profit before finance costs and taxation</b>                |       | <b>1,370</b>                | <b>7,578</b>    | <b>8,948</b>  | 1,778                       | 6,641           | 8,419         |
| Finance costs                                                  | 5     | –                           | (714)           | (714)         | (5)                         | (1,320)         | (1,325)       |
| <b>Profit before taxation</b>                                  |       | <b>1,370</b>                | <b>6,864</b>    | <b>8,234</b>  | 1,773                       | 5,321           | 7,094         |
| Taxation                                                       | 6     | (18)                        | –               | (18)          | (88)                        | –               | (88)          |
| <b>Profit for the year</b>                                     |       | <b>1,352</b>                | <b>6,864</b>    | <b>8,216</b>  | 1,685                       | 5,321           | 7,006         |
| <b>Return per Ordinary Share (pence) – basic</b>               | 18    | <b>7.43</b>                 | <b>37.71</b>    | <b>45.14</b>  | 9.32                        | 29.41           | 38.73         |

The total column of this statement represents the Group's profit or loss, prepared in accordance with International Financial Reporting Standards (IFRSs).

As the Parent of the Group, the Company has taken advantage of the exemption not to publish its own separate Income Statement as permitted by the Companies Act 2006. The Company's total comprehensive profit for the year ended 31 December 2021 was £8,216,000 (2020: profit of £7,006,000).

The supplementary revenue and capital columns are prepared under guidance published by the Association of Investment Companies ("AIC").

All items derive from continuing operations; the Group does not have any other recognised gains or losses.

All income is attributable to the equity holders of the Company. There are no minority interests.

The notes on pages 57 to 75 form part of these financial statements.

# Consolidated and Company Balance Sheets

as at 31 December 2021

|                                                           | Notes | Group<br>2021<br>£000 | Company<br>2021<br>£000 | Group<br>2020<br>£000 | Company<br>2020<br>£000 |
|-----------------------------------------------------------|-------|-----------------------|-------------------------|-----------------------|-------------------------|
| <b>Non current assets</b>                                 |       |                       |                         |                       |                         |
| Investments held at fair value through profit or loss     | 8     | 52,694                | 52,794                  | 45,152                | 45,252                  |
| <b>Current assets</b>                                     |       |                       |                         |                       |                         |
| Debtors                                                   | 10    | 189                   | 189                     | 141                   | 141                     |
| Forward foreign exchange contracts                        | 13    | 117                   | 117                     | 194                   | 194                     |
| Cash at bank                                              |       | 562                   | 562                     | 361                   | 361                     |
|                                                           |       | 868                   | 868                     | 696                   | 696                     |
| <b>Total assets</b>                                       |       | <b>53,562</b>         | <b>53,662</b>           | <b>45,848</b>         | <b>45,948</b>           |
| <b>Current liabilities</b>                                |       |                       |                         |                       |                         |
| Other creditors                                           | 11    | (162)                 | (162)                   | (193)                 | (193)                   |
| Intercompany payable                                      | 11    | –                     | (50)                    | –                     | (50)                    |
|                                                           |       | (162)                 | (212)                   | (193)                 | (243)                   |
| <b>Total assets less current liabilities</b>              |       | <b>53,400</b>         | <b>53,450</b>           | <b>45,655</b>         | <b>45,705</b>           |
| <b>Non-current liabilities:</b>                           |       |                       |                         |                       |                         |
| <b>amounts falling due after more than one year</b>       |       |                       |                         |                       |                         |
| Zero Dividend Preference Shares                           | 12    | (14,990)              | –                       | (14,276)              | –                       |
| Intercompany payable                                      | 12    | –                     | (15,040)                | –                     | (14,326)                |
| <b>Net assets</b>                                         |       | <b>38,410</b>         | <b>38,410</b>           | <b>31,379</b>         | <b>31,379</b>           |
| <b>Equity attributable to Ordinary Shareholders</b>       |       |                       |                         |                       |                         |
| Share capital                                             | 14    | 183                   | 183                     | 181                   | 181                     |
| Share premium                                             | 15    | 8,961                 | 8,961                   | 8,701                 | 8,701                   |
| Redemption reserve                                        |       | 88                    | 88                      | 88                    | 88                      |
| Capital reserve                                           | 16    | 20,528                | 20,528                  | 13,664                | 13,664                  |
| Special reserve                                           |       | 7,472                 | 7,472                   | 7,472                 | 7,472                   |
| Revenue reserve                                           |       | 1,178                 | 1,178                   | 1,273                 | 1,273                   |
| <b>Total equity attributable to Ordinary Shareholders</b> |       | <b>38,410</b>         | <b>38,410</b>           | <b>31,379</b>         | <b>31,379</b>           |
| <b>Net asset value per Ordinary Share (pence)</b>         | 19    | <b>210.60</b>         | <b>210.60</b>           | <b>173.48</b>         | <b>173.48</b>           |

The financial statements on pages 52 to 75 of Premier Miton Global Renewables Trust PLC, company number 04897881, were approved by the Board and authorised for issue on 8 March 2022 and were signed on its behalf by:



**Gillian Nott OBE**  
Chairman

The notes on pages 57 to 75 form part of these financial statements.

# Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2021

|                                    | Notes | Ordinary<br>share<br>capital<br>£000 | Share<br>premium<br>reserve<br>£000 | Redemption<br>reserve<br>£000 | Capital<br>reserve*<br>£000 | Special<br>reserve**<br>£000 | Revenue<br>reserve**<br>£000 | Total<br>£000 |
|------------------------------------|-------|--------------------------------------|-------------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|---------------|
| <b>For the year ended</b>          |       |                                      |                                     |                               |                             |                              |                              |               |
| <b>31 December 2021</b>            |       |                                      |                                     |                               |                             |                              |                              |               |
| Balance at 31 December 2020        |       | 181                                  | 8,701                               | 88                            | 13,664                      | 7,472                        | 1,273                        | 31,379        |
| Issue of Ordinary shares           |       | 2                                    | 260                                 | –                             | –                           | –                            | –                            | 262           |
| Profit for the year                |       | –                                    | –                                   | –                             | 6,864                       | –                            | 1,352                        | 8,216         |
| Ordinary dividends paid            | 7     | –                                    | –                                   | –                             | –                           | –                            | (1,447)                      | (1,447)       |
| <b>Balance at 31 December 2021</b> |       | <b>183</b>                           | <b>8,961</b>                        | <b>88</b>                     | <b>20,528</b>               | <b>7,472</b>                 | <b>1,178</b>                 | <b>38,410</b> |

|                                    | Notes | Ordinary<br>share<br>capital<br>£000 | Share<br>premium<br>reserve<br>£000 | Redemption<br>reserve<br>£000 | Capital<br>reserve*<br>£000 | Special<br>reserve**<br>£000 | Revenue<br>reserve**<br>£000 | Total<br>£000 |
|------------------------------------|-------|--------------------------------------|-------------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|---------------|
| <b>For the year ended</b>          |       |                                      |                                     |                               |                             |                              |                              |               |
| <b>31 December 2020</b>            |       |                                      |                                     |                               |                             |                              |                              |               |
| Balance at 31 December 2019        |       | 181                                  | 8,701                               | 88                            | 8,343                       | 7,472                        | 1,432                        | 26,217        |
| Profit for the year                |       | –                                    | –                                   | –                             | 5,321                       | –                            | 1,685                        | 7,006         |
| Ordinary dividends paid            | 7     | –                                    | –                                   | –                             | –                           | –                            | (1,844)                      | (1,844)       |
| <b>Balance at 31 December 2020</b> |       | <b>181</b>                           | <b>8,701</b>                        | <b>88</b>                     | <b>13,664</b>               | <b>7,472</b>                 | <b>1,273</b>                 | <b>31,379</b> |

\* Distributable for the purpose of redemption of shares.

\*\* Distributable reserves.

The notes on pages 57 to 75 form part of these financial statements.



# Company Statement of Changes in Equity

for the financial year ended 31 December 2021

|                                    | Notes | Ordinary<br>share<br>capital<br>£000 | Share<br>premium<br>reserve<br>£000 | Redemption<br>reserve<br>£000 | Capital<br>reserve*<br>£000 | Special<br>reserve**<br>£000 | Revenue<br>reserve**<br>£000 | Total<br>£000 |
|------------------------------------|-------|--------------------------------------|-------------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|---------------|
| <b>For the year ended</b>          |       |                                      |                                     |                               |                             |                              |                              |               |
| <b>31 December 2021</b>            |       |                                      |                                     |                               |                             |                              |                              |               |
| Balance at 31 December 2020        |       | 181                                  | 8,701                               | 88                            | 13,664                      | 7,472                        | 1,273                        | 31,379        |
| Issue of Ordinary shares           |       | 2                                    | 260                                 | –                             | –                           | –                            | –                            | 262           |
| Profit for the year                |       | –                                    | –                                   | –                             | 6,864                       | –                            | 1,352                        | 8,216         |
| Ordinary dividends paid            | 7     | –                                    | –                                   | –                             | –                           | –                            | (1,447)                      | (1,447)       |
| <b>Balance at 31 December 2021</b> |       | <b>183</b>                           | <b>8,961</b>                        | <b>88</b>                     | <b>20,528</b>               | <b>7,472</b>                 | <b>1,178</b>                 | <b>38,410</b> |

|                                    | Notes | Ordinary<br>share<br>capital<br>£000 | Share<br>premium<br>reserve<br>£000 | Redemption<br>reserve<br>£000 | Capital<br>reserve*<br>£000 | Special<br>reserve**<br>£000 | Revenue<br>reserve**<br>£000 | Total<br>£000 |
|------------------------------------|-------|--------------------------------------|-------------------------------------|-------------------------------|-----------------------------|------------------------------|------------------------------|---------------|
| <b>For the year ended</b>          |       |                                      |                                     |                               |                             |                              |                              |               |
| <b>31 December 2020</b>            |       |                                      |                                     |                               |                             |                              |                              |               |
| Balance at 31 December 2019        |       | 181                                  | 8,701                               | 88                            | 8,343                       | 7,472                        | 1,432                        | 26,217        |
| Profit for the year                |       | –                                    | –                                   | –                             | 5,321                       | –                            | 1,685                        | 7,006         |
| Ordinary dividends paid            | 7     | –                                    | –                                   | –                             | –                           | –                            | (1,844)                      | (1,844)       |
| <b>Balance at 31 December 2020</b> |       | <b>181</b>                           | <b>8,701</b>                        | <b>88</b>                     | <b>13,664</b>               | <b>7,472</b>                 | <b>1,273</b>                 | <b>31,379</b> |

\* Distributable for the purpose of redemption of shares.

\*\* Distributable reserves.

The notes on pages 57 to 75 form part of these financial statements.

# Consolidated and Company Cashflow Statements

for the financial year ended 31 December 2021

|                                                                | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|----------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| <b>Profit before taxation</b>                                  | <b>8,234</b>                                       | <b>8,234</b>                                         | 7,094                                              | 7,094                                                |
| <b>Adjustments for</b>                                         |                                                    |                                                      |                                                    |                                                      |
| Finance costs                                                  | 714                                                | 714                                                  | 1,325                                              | 1,325                                                |
| Gains on investments held at fair value through profit or loss | (7,469)                                            | (7,469)                                              | (5,028)                                            | (5,028)                                              |
| Gains on derivatives financial instruments                     | –                                                  | –                                                    | (2,894)                                            | (2,894)                                              |
| (Gains)/losses on forward foreign exchange contracts           | (405)                                              | (405)                                                | 541                                                | 541                                                  |
| Losses on foreign exchange                                     | 44                                                 | 44                                                   | 95                                                 | 95                                                   |
| (Increase)/decrease in other receivables                       | (5)                                                | (5)                                                  | 94                                                 | 94                                                   |
| (Decrease)/increase in other payables                          | (31)                                               | (31)                                                 | (14)                                               | 36                                                   |
| Overseas taxation paid                                         | (61)                                               | (61)                                                 | (107)                                              | (107)                                                |
| <b>Net cash flow from operating activities</b>                 | <b>1,021</b>                                       | <b>1,021</b>                                         | 1,106                                              | 1,156                                                |
| <b>Investing activities</b>                                    |                                                    |                                                      |                                                    |                                                      |
| Purchases of investments                                       | (18,371)                                           | (18,371)                                             | (39,358)                                           | (39,408)                                             |
| Proceeds from sales of investments                             | 18,298                                             | 18,298                                               | 52,863                                             | 52,863                                               |
| Cash flows from derivatives                                    | –                                                  | –                                                    | 2,894                                              | 2,894                                                |
| Cash flows from forward foreign exchange contracts             | 482                                                | 482                                                  | (216)                                              | (216)                                                |
| <b>Net cash flow from investing activities</b>                 | <b>409</b>                                         | <b>409</b>                                           | 16,183                                             | 16,133                                               |
| <b>Financing activities</b>                                    |                                                    |                                                      |                                                    |                                                      |
| Proceeds from issue of Ordinary Shares                         | 262                                                | 262                                                  | –                                                  | –                                                    |
| Payment to 2020 ZDP Shareholders with "B" rights               | –                                                  | –                                                    | (19,381)                                           | –                                                    |
| Issue of 2025 Zero Dividend Preference Shares                  | –                                                  | –                                                    | 3,349                                              | –                                                    |
| Movement in intercompany financing balances                    | –                                                  | –                                                    | –                                                  | (16,032)                                             |
| Dividends paid                                                 | (1,447)                                            | (1,447)                                              | (1,844)                                            | (1,844)                                              |
| Bank interest paid                                             | –                                                  | –                                                    | (6)                                                | (6)                                                  |
| <b>Net cash flow from financing activities</b>                 | <b>(1,185)</b>                                     | <b>(1,185)</b>                                       | (17,882)                                           | (17,882)                                             |
| Increase/(decrease) in cash and cash equivalents               | 245                                                | 245                                                  | (593)                                              | (593)                                                |
| Losses on foreign exchange                                     | (44)                                               | (44)                                                 | (95)                                               | (95)                                                 |
| Cash and cash equivalents, beginning of the year               | 361                                                | 361                                                  | 1,049                                              | 1,049                                                |
| <b>Cash and cash equivalents at end of the year</b>            | <b>562</b>                                         | <b>562</b>                                           | 361                                                | 361                                                  |

The notes on pages 57 to 75 form part of these financial statements.

# Notes to the Financial Statements

for the financial year ended 31 December 2021

## 1. ACCOUNTING POLICIES

### 1.1 Principal accounting policies adopted by the Company

#### (a) Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with UK-adopted International Accounting Standards. These comprise standards and interpretations of the International Accounting Standards and Standing Interpretations Committee as approved by the International Accounting Standards Committee ("IASC") that remain in effect.

The Directors believe that having considered the Company's investment objectives (shown on page 1), risk management policies and procedures (pages 69 to 75), nature of portfolio and income and expense projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for a period of at least 12 months from the date these financial statements were approved.

Specifically the Directors have taken into account:

- The shareholder approval at the AGM held in April 2021 to continue the Company's life until 2025
- The refinancing of the ZDP Shares to November 2025
- The reduction in gearing seen over the past two years resulting from positive investment performance and a smaller ZDP Shares issue from November 2020
- That aside from ZDP Shares, the Company has no significant liabilities
- The Company's assets consist of readily realisable securities
- The Company's operating costs are well covered by revenue income
- Cash flows are closely matched to income and the company carries no material receivable balances
- There is no litigation or other disputes outstanding against the Company
- The Company maintains an adequate cash balance to manage its affairs in an orderly manner. The Portfolio consists of liquid securities which can be realised to generate additional cash balances if required
- The Company, its Fund Manager, and all main service providers have switched, when required by law or regulation, to working from home during the lockdown conditions existing during 2021 and into 2022. No significant operational impacts have been noted resulting from this change of working practice.
- The Company's investment policy is to invest in renewable energy and other sustainable infrastructure. The Directors believe this is a relatively low risk area of equity investment with highly contracted revenue streams and policy support from Governments.

In taking these considerations into account, the Directors have also considered plausible downside scenarios as set out below:

- A material fall in equity markets caused by increases in interest rates. The Company's investments may be subject to higher financial costs and adverse movements in valuation metrics as a result.
- The impact of higher inflation on the ability of investments held to maintain their earnings in real terms.
- The volatility of energy and other relevant commodity prices which may result in changes to revenues in portfolio companies.

For these reasons, the Directors consider that the use of the going concern basis is appropriate.

# Notes to the Financial Statements continued

## 1. ACCOUNTING POLICIES continued

The financial statements have also been prepared in accordance with the Companies Act 2006, the Statement of Recommended Practice ("SORP") Financial Statements of Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Companies ("AIC") in November 2014 (and updated in April 2021) where the SORP is consistent with International Financial Reporting Standards (IFRSs).

In the current financial period the Company has applied to the following amendment to standards:

IFRS 9, IAS 39, IFRS 7, IFRS 16 and IFRS 4: Interest Rate Benchmark Reform – phase 2 (amended) (effective for accounting periods on or after 1 January 2021).

There is no material impact on the financial statements or the amounts reported from the adoption of this amendment to the standards.

### **(b) Basis of consolidation**

The consolidated financial statements are made up to 31 December each year and incorporate the financial statements of the Company and its wholly-owned subsidiaries, PMGR Securities 2025 PLC, and PGIT Securities 2020 PLC (in members' voluntary liquidation). Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the Consolidated Financial Statements are based on consistent accounting policies. All intra-group balances and transactions, including unrealised profits arising therefrom, are eliminated.

It is the Company's judgement that it meets the definition of an investment entity within IFRS 10. The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services.
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both.
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

### *Assessment of an investment entity*

The Board has agreed with the recommendation of the Audit Committee that the Company meets the definition of an investment entity as it satisfies each of the criteria above and that this accounting treatment better reflects the Company's activities as an investment trust. Specifically, as an investment trust, the Company's principal activity is portfolio investment and the investment objectives of the Company (stated in the Strategic Report on page 15) are to achieve a high income and to realise long term growth in the capital value of its portfolio. The Company will seek to achieve these objectives by investing principally in the equity and equity-related securities of companies operating primarily in the energy and water sectors, as well as other infrastructure investments.

PMGR Securities 2025 PLC, the Company's wholly-owned subsidiary, incorporated on 21 October 2021, is being consolidated in the accounts as it is not in itself an investment entity.

### **(c) Presentation of Statement of Comprehensive Income**

In order to better reflect the activities of the Company as an investment trust company, and in accordance with guidance issued by the AIC, supplementary information which analyses the Consolidated Income Statement between items of a revenue and capital nature has been presented alongside the Consolidated Income Statement. In accordance with the Company's Articles of Association, dividends can only be distributed from net revenue income, and the distribution of surpluses from realisations of investments is prohibited. Additionally, net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Section 1158 of the Corporation Tax Act 2010.

# Notes to the Financial Statements continued

## 1. ACCOUNTING POLICIES continued

### (d) Use of estimates and judgements

The preparation of these financial statements did not require the use of any key estimates.

The Directors believe that there is one key judgement, being the functional currency of the Company. Although the Company invests in investments denominated in various jurisdictions with various currencies, it has been determined that the functional currency is sterling as the entity is listed on a sterling stock exchange in the UK, and its investment manager is also UK based and its dividends and expenses are paid in sterling. Accordingly, the financial statements are presented in UK pounds sterling rounded to the nearest thousand pounds.

### (e) Income

Dividend income from investments is taken into account by reference to the date the security becomes ex-dividend. Special dividends are credited to capital or revenue in the Consolidated Income Statement, according to the circumstances surrounding the payment of the dividend. UK dividends are accounted for net of any tax credits.

Overseas dividends and other income that are subject to withholding tax are grossed up.

Interest receivable on deposits is accounted for on an accruals basis. The fixed return on a debt security is recognised on a time apportionment basis so as to reflect the effective interest rate on the debt security.

### (f) Expenses

All expenses are accounted for on an accruals basis and are charged as follows:

- the investment management fee is charged 40% to revenue and 60% to capital;
- the finance costs representing the annual accrual for capital entitlement of the ZDP Shares is allocated to capital;
- investment transaction costs are allocated to capital;
- other expenses are charged wholly to revenue; and
- reconstruction costs relating to repayment and issuance of ZDP Shares are charged wholly to capital.

### (g) Taxation

The charge for taxation is based upon the net revenue for the year. The tax charge is allocated to the revenue and capital accounts according to the marginal basis whereby revenue expenses are first matched against taxable income arising in the revenue account; the effect of this for the year ended 31 December 2021 was that all the deductions for tax purposes went to the revenue account.

Deferred taxation will be recognised as an asset or a liability if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset will not be recognised to the extent that the transfer of economic benefit is uncertain.

Due to the Company's status as an Investment Trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

### (h) Investments held at fair value through profit or loss

Upon initial recognition investments are designated by the Company "at fair value through profit or loss". They are accounted for on the date they are traded and are included initially at fair value which is taken to be their cost. Subsequently investments are valued at fair value which is the bid market price for listed investments. Unquoted investments are valued at fair value by the Board which is established with regard to the International Private Equity and Venture Capital Valuation Guidelines by using, where appropriate, latest dealing prices, valuations from reliable sources and other relevant factors.

# Notes to the Financial Statements continued

## 1. ACCOUNTING POLICIES continued

Changes in the fair value of investments held at fair value through profit or loss and gains or losses on disposal are included in the capital column of the Consolidated Income Statement within "gains/(losses) on investments held at fair value through profit or loss".

The investments in the Company's subsidiaries, PMGR Securities 2025 PLC, and PGIT Securities 2020 PLC (in members' voluntary liquidation), are held at fair value, considered to be equal to the net asset value of each.

### (i) Dividends

Interim and final dividends are recognised in the year in which they are paid.

### (j) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at actual exchange rates as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss to capital or revenue in the Consolidated Income Statement as appropriate. Foreign exchange movements on investments are included in the Consolidated Income Statement within gains on investments.

### (k) Derivatives

Forward currency contracts entered into for hedging purposes are held at fair value through profit or loss and changes in fair value are recognised in the capital column of the Consolidated Income Statement.

### (l) Zero Dividend Preference Shares

The ZDP Shares are classified as a financial liability and shown as a liability in the Group balance sheet. The ZDP Shares are initially measured at fair value being the proceeds of issue less transaction costs and are subsequently measured at amortised cost under the effective interest rate method.

The provision for compound growth entitlement of the ZDP Shares is recognised through the Consolidated Income Statement and analysed under the capital column as a finance cost (as shown in note 5).

### (m) Special reserve

The Special Reserve was created by the Court cancellation of the share premium account on 12 November 2003 and is a distributable reserve to be used for all purposes permitted under the Companies Act 2006 (as amended) including the buyback of shares and the payment of dividends.

## 1.2 Accounting standards issued but not yet effective

At the date of authorisation of these financial statements the following relevant standards and amendments to standards, which have not been applied in these financial statements, were in issue, but not yet effective:

IFRS 17, 'Insurance contracts' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 1 'Classification of liabilities as current or non-current' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 8 'Definition of Accounting Estimates' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' (effective for accounting periods on or after 1 January 2023).

Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective for accounting periods on or after 1 January 2023).

The Company does not believe that there will be a material impact on the financial statements or the amounts reported from the adoption of these standards.

# Notes to the Financial Statements continued

## 2. INCOME

|                          | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>£000 |
|--------------------------|-------------------------------------------|-------------------------------------------|
| Income from investments: |                                           |                                           |
| UK dividends             | 679                                       | 751                                       |
| Overseas dividends       | 1,290                                     | 1,717                                     |
| Bank interest            | –                                         | 3                                         |
| <b>Total income</b>      | <b>1,969</b>                              | <b>2,471</b>                              |

## 3. INVESTMENT MANAGEMENT FEE

|                                 | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>£000 |
|---------------------------------|-------------------------------------------|-------------------------------------------|
| Charged to Revenue:             |                                           |                                           |
| Investment management fee (40%) | 141                                       | 160                                       |
| Charged to Capital:             |                                           |                                           |
| Investment management fee (60%) | 211                                       | 240                                       |
|                                 | <b>352</b>                                | <b>400</b>                                |

The Company's AIFM is Premier Portfolio Managers Limited ("PPM") under an agreement terminable by giving not less than six months written notice. Under the AIFM agreement, PPM is entitled to receive a management fee from the Company, payable monthly in arrears, of 0.75% per annum of the gross assets of the Company.

PPM has delegated the management of the Company's portfolio of assets to PFM Limited.

## 4. OTHER EXPENSES

|                                         | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>£000 |
|-----------------------------------------|-------------------------------------------|-------------------------------------------|
| Charged to Revenue:                     |                                           |                                           |
| Secretarial services                    | 104                                       | 79                                        |
| Administration expenses                 | 208                                       | 332                                       |
| Depository fees                         | 25                                        | 25                                        |
| Auditor's remuneration – audit services | 40                                        | 32                                        |
| – audit services for subsidiary         | 9                                         | –                                         |
| Directors' fees and expenses            | 70                                        | 64                                        |
|                                         | <b>456</b>                                | <b>532</b>                                |
| Charged to Capital:                     |                                           |                                           |
| Reconstruction costs                    | 43                                        | 406                                       |
|                                         | <b>43</b>                                 | <b>406</b>                                |

Reconstruction costs represent costs relating to the refinancing of the 2020 ZDP Shares and issue of the 2025 ZDP Shares.

# Notes to the Financial Statements continued

## 5. FINANCE COSTS

|                                                             | Year ended 31 December 2021 |                 |               | Year ended 31 December 2020 |                 |               |
|-------------------------------------------------------------|-----------------------------|-----------------|---------------|-----------------------------|-----------------|---------------|
|                                                             | Revenue<br>£000             | Capital<br>£000 | Total<br>£000 | Revenue<br>£000             | Capital<br>£000 | Total<br>£000 |
| Bank Interest                                               | –                           | –               | –             | 5                           | –               | 5             |
| Provision for accrued capital entitlement of the ZDP Shares | –                           | 714             | 714           | –                           | 1,320           | 1,320         |
|                                                             | –                           | 714             | 714           | 5                           | 1,320           | 1,325         |

## 6. TAXATION

### (a) ANALYSIS OF CHARGE IN THE YEAR:

|                                                | Year ended 31 December 2021 |                 |               | Year ended 31 December 2020 |                 |               |
|------------------------------------------------|-----------------------------|-----------------|---------------|-----------------------------|-----------------|---------------|
|                                                | Revenue<br>£000             | Capital<br>£000 | Total<br>£000 | Revenue<br>£000             | Capital<br>£000 | Total<br>£000 |
| Overseas tax                                   | 122                         | –               | 122           | 88                          | –               | 88            |
| Overseas tax reclaims                          | (104)                       | –               | (104)         | –                           | –               | –             |
| Total tax charge for the year (see note 6 (b)) | 18                          | –               | 18            | 88                          | –               | 88            |

### (b) FACTORS AFFECTING THE TOTAL TAX CHARGE FOR THE YEAR:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for a large company of 19.0% (31 December 2020: 19.0%). The differences are explained below:

|                                                                             | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>£000 |
|-----------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Total profit before taxation                                                | 8,234                                     | 7,094                                     |
| UK corporation tax at 19.0% (31 December 2020: 19.0%)                       | 1,564                                     | 1,348                                     |
| Effects of:                                                                 |                                           |                                           |
| Capital gains subject to corporation tax                                    | 9                                         | –                                         |
| Capital gains not subject to corporation tax                                | (1,419)                                   | (955)                                     |
| (Gains)/losses on forward currency contracts not subject to corporation tax | (77)                                      | 103                                       |
| Gains on derivatives not subject to corporation tax                         | –                                         | (550)                                     |
| Losses on foreign exchange not subject to corporation tax                   | 8                                         | 18                                        |
| Finance costs of ZDP Shares not deductible                                  | 136                                       | 252                                       |
| Restructuring costs of ZDP Shares not deductible                            | 8                                         | 76                                        |
| UK dividends which are not taxable                                          | (129)                                     | (143)                                     |
| Overseas tax suffered                                                       | 18                                        | 88                                        |
| Overseas dividends not taxable in the UK                                    | (214)                                     | (242)                                     |
| Movement in unutilised management expenses                                  | 114                                       | 93                                        |
| <b>Total tax charge</b>                                                     | <b>18</b>                                 | <b>88</b>                                 |

The Company is not liable to tax on capital gains due to its status as an investment trust.

Due to the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided for deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.



# Notes to the Financial Statements continued

## 6. TAXATION continued

As at 31 December 2021, the Company had a potential deferred tax asset of £2,189,000 (2020: £1,550,000) in respect of tax losses which are available to be carried forward and offset against future taxable profits. It is unlikely that the Company will generate sufficient taxable profits in the future to utilise these expenses and therefore no deferred tax asset in respect of these expenses has been recognised.

## 7. DIVIDENDS

Dividends relating to the year ended 31 December 2021 which is the basis on which the requirements of Section 1159 of the Corporation Tax Act 2010 are considered are detailed below:

|                                                     | Per Ordinary Share | Year ended<br>31 December<br>2021<br>£000 |
|-----------------------------------------------------|--------------------|-------------------------------------------|
| First interim dividend – paid on 30 June 2021       | 1.75p              | 319                                       |
| Second interim dividend – paid on 30 September 2021 | 1.75p              | 319                                       |
| Third interim dividend – paid on 31 December 2021   | 1.75p              | 319                                       |
| Fourth interim dividend – payable on 31 March 2022  | 1.75p              | 319                                       |
|                                                     | <b>7.00p</b>       | <b>1,276</b>                              |

\*Not included as a liability in the year ended 31 December 2021 accounts.

The fourth interim dividend will be paid on 31 March 2022 to members on the register at the close of business on 11 March 2022. The shares will be marked ex-dividend on 10 March 2022.

|                                                     | Per Ordinary Share | Year ended<br>31 December<br>2020<br>£000 |
|-----------------------------------------------------|--------------------|-------------------------------------------|
| First interim dividend – paid on 30 June 2020       | 2.50p              | 452                                       |
| Second interim dividend – paid on 30 September 2020 | 2.50p              | 452                                       |
| Third interim dividend – paid on 30 December 2020   | 2.50p              | 452                                       |
| Fourth interim dividend – paid on 31 March 2021*    | 2.70p              | 490                                       |
|                                                     | <b>10.20p</b>      | <b>1,846</b>                              |

\*Not included as a liability in the year ended 31 December 2020 accounts.

Amounts recognised as distributions to equity holders in the year:

|                                                                                                       | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>£000 |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Fourth interim dividend for the year ended 31 December 2020 of 2.70p (2019: 2.70p) per ordinary share | 490                                       | 488                                       |
| First interim dividend for the year ended 31 December 2021 of 1.75p (2020: 2.50p) per ordinary share  | 319                                       | 452                                       |
| Second interim dividend for the year ended 31 December 2021 of 1.75p (2020: 2.50p) per ordinary share | 319                                       | 452                                       |
| Third interim dividend for the year ended 31 December 2021 of 1.75p (2020: 2.50p) per ordinary share  | 319                                       | 452                                       |
|                                                                                                       | <b>1,447</b>                              | <b>1,844</b>                              |

# Notes to the Financial Statements continued

## 8. INVESTMENTS

|                                                        | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|--------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Investments listed on a recognised investment exchange | 52,694                                             | 52,694                                               | 45,152                                             | 45,152                                               |
| Investments in subsidiaries                            | -                                                  | 100                                                  | -                                                  | 100                                                  |
| Valuation at year end                                  | 52,694                                             | 52,794                                               | 45,152                                             | 45,252                                               |
| Opening book cost                                      | 40,686                                             | 40,786                                               | 55,258                                             | 55,308                                               |
| Opening investment holding gains/(losses)              | 4,466                                              | 4,466                                                | (1,629)                                            | (1,629)                                              |
| Opening valuation                                      | 45,152                                             | 45,252                                               | 53,629                                             | 53,679                                               |
| Movements in the year:                                 |                                                    |                                                      |                                                    |                                                      |
| Purchases at cost                                      | 18,371                                             | 18,371                                               | 39,358                                             | 39,408                                               |
| Sales – proceeds                                       | (18,298)                                           | (18,298)                                             | (52,863)                                           | (52,863)                                             |
| Gains in investment holdings for the year              | 7,469                                              | 7,469                                                | 5,028                                              | 5,028                                                |
| Closing valuation                                      | 52,694                                             | 52,794                                               | 45,152                                             | 45,252                                               |
| Closing book cost                                      | 45,694                                             | 45,794                                               | 40,686                                             | 40,786                                               |
| Closing investment holding gains                       | 7,000                                              | 7,000                                                | 4,466                                              | 4,466                                                |
| Closing valuation                                      | 52,694                                             | 52,794                                               | 45,152                                             | 45,252                                               |

The Company received £18,298,000 from investments sold in the year (2020: £52,863,000). The book cost of the investments when they were purchased was £13,363,000 (2020: £53,930,000). These investments have been revalued over time until they were sold and unrealised gains/losses were included in the fair value of the investments.

### Classification of assets

|                   | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|-------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Quoted securities | 52,694                                             | 52,694                                               | 45,152                                             | 45,152                                               |
| Subsidiaries      | -                                                  | 100                                                  | -                                                  | 100                                                  |
| Total investments | 52,694                                             | 52,794                                               | 45,152                                             | 45,252                                               |

Transaction costs on purchases for the year ended 31 December 2021 amounted to £23,000 (2020: £50,000) and transaction costs on sales amounted to £9,000 (2020: £39,000). The higher level of transaction costs incurred during 2020 reflects the higher than usual level of portfolio activity during that year, arising from both the change of investment policy and the liquidation of portfolio assets to meet the 2020 ZDP Shares redemption.

# Notes to the Financial Statements continued

## 9. INVESTMENTS IN SUBSIDIARIES

| Entity                                             | Principal activity | %<br>Ordinary Share<br>capital held | Country of<br>incorporation<br>and<br>registration | Capital and<br>reserves<br>£000 | Profit & loss<br>£000 |
|----------------------------------------------------|--------------------|-------------------------------------|----------------------------------------------------|---------------------------------|-----------------------|
| As at 31 December 2021                             |                    |                                     |                                                    |                                 |                       |
| <i>Investment in subsidiaries:</i>                 |                    |                                     |                                                    |                                 |                       |
| PMGR Securities 2025 PLC                           | Financing          | 100%                                | England                                            | 50                              | (714)                 |
| PGIT Securities 2020 PLC ( <i>in liquidation</i> ) | Financing          | 100%                                | England                                            | 50                              | –                     |

| Entity                                             | Principal activity | %<br>Ordinary Share<br>capital held | Country of<br>incorporation<br>and<br>registration | Capital and<br>reserves<br>£000 | Profit & loss<br>£000 |
|----------------------------------------------------|--------------------|-------------------------------------|----------------------------------------------------|---------------------------------|-----------------------|
| As at 31 December 2020                             |                    |                                     |                                                    |                                 |                       |
| <i>Investment in subsidiaries:</i>                 |                    |                                     |                                                    |                                 |                       |
| PMGR Securities 2025 PLC                           | Financing          | 100%                                | England                                            | 50                              | (58)                  |
| PGIT Securities 2020 PLC ( <i>in liquidation</i> ) | Financing          | 100%                                | England                                            | 50                              | (1,262)               |

The Company owns the whole of the ordinary share capital (£50,000) of PGIT Securities 2020 PLC a company which issued the Group's 2020 ZDP Shares. The ZDPs were repaid on maturity on 30 November 2020 and the subsidiary has since been placed in liquidation. The subsidiary is held at fair value of £50,000 (2020: £50,000).

The Company owns the whole of the ordinary share capital (£50,000) of PMGR Securities 2025 PLC, a company which was incorporated on 21 October 2020 which issued the Group's New Zero Dividend Preference Shares. The subsidiary is held at fair value of £50,000 (2020: £50,000).

## 10. RECEIVABLES AND OTHER FINANCIAL ASSETS

|                                      | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|--------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Accrued income and prepayments       | 113                                                | 113                                                  | 108                                                | 108                                                  |
| Overseas withholding tax recoverable | 76                                                 | 76                                                   | 33                                                 | 33                                                   |
|                                      | 189                                                | 189                                                  | 141                                                | 141                                                  |

Receivables do not carry any interest and are short term in nature and are accordingly stated at their amortised cost, which is the same as fair value.

## 11. OTHER FINANCIAL LIABILITIES

|                      | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|----------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Other creditors      | 162                                                | 162                                                  | 193                                                | 193                                                  |
| Intercompany payable | –                                                  | 50                                                   | –                                                  | 50                                                   |
|                      | 162                                                | 212                                                  | 193                                                | 243                                                  |

# Notes to the Financial Statements continued

## 12. NON-CURRENT LIABILITIES

|                                                   | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|---------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| 14,217,339 ZDP Shares of £0.01 (2020: 14,217,339) | 14,990                                             | –                                                    | 14,276                                             | –                                                    |
| Intercompany payable                              | –                                                  | 15,040                                               | –                                                  | 14,326                                               |
|                                                   | 14,990                                             | 15,040                                               | 14,276                                             | 14,326                                               |

On 3 November 2020, PGIT Securities 2020 PLC ("PGIT Securities 2020"), a wholly owned subsidiary of the Company, published a circular containing details of a scheme of reconstruction of PGIT Securities 2020 (in liquidation) and proposals to offer the holders of Existing ZDP Shares in PGIT Securities 2020 (in liquidation) the opportunity to elect to roll their investment into New ZDP Shares in PMGR Securities 2025 PLC.

The new ZDP Shares, were issued by the Company's wholly-owned subsidiary, PMGR Securities 2025 PLC. The Company entered into an Undertaking Agreement with PMGR Securities 2025 PLC to meet the repayment entitlement of the ZDP Shares on 28 November 2025. The amounts shown above are due to PMGR Securities 2025 PLC.

The final capital entitlement of the ZDP Shares in issue is 127.6111p per share (total of £18,143,000) which is payable on 28 November 2025.

## 13. DERIVATIVES

|                                              | Current<br>assets<br>£000 | Current<br>liabilities<br>£000 | 2021<br>Net current<br>assets/<br>(liabilities)<br>£000 | Current<br>assets<br>£000 | Current<br>liabilities<br>£000 | 2020<br>Net current<br>assets/<br>(liabilities)<br>£000 |
|----------------------------------------------|---------------------------|--------------------------------|---------------------------------------------------------|---------------------------|--------------------------------|---------------------------------------------------------|
| Forward foreign exchange contracts – GBP/EUR | 117                       | –                              | 117                                                     | 36                        | –                              | 36                                                      |
| Forward foreign exchange contracts – GBP/HKD | –                         | –                              | –                                                       | 58                        | –                              | 58                                                      |
| Forward foreign exchange contracts – GBP/CAD | –                         | –                              | –                                                       | 56                        | –                              | 56                                                      |
| Forward foreign exchange contracts – GBP/USD | –                         | –                              | –                                                       | 44                        | –                              | 44                                                      |
| Total forward foreign exchange contracts     | 117                       | –                              | 117                                                     | 194                       | –                              | 194                                                     |

The above derivatives are classified as Level 2 as defined in note 21 (g).

No index futures and options were held during 2021. In 2020, gains on derivative financial futures instruments amounted to £2,894,000 and is mainly composed of gains on short positions taken on equity index futures of £2,976,000. Short positions were held to mitigate against market falls during the year, and were held against the major indices on markets in which the Company invests. In addition, during 2020, losses on index option contracts, also held to mitigate against market falls, amounted to £82,000.

Foreign exchange forwards contracts were held to hedge currency movements, and resulted in gains of £405,000 (2020: losses of £541,000).

# Notes to the Financial Statements continued

## 14. SHARE CAPITAL

|                                                              | Group and<br>Company<br>Year ended<br>31 December<br>2021<br>Number of shares | Group and<br>Company<br>Year ended<br>31 December<br>2021<br>£000 | Group and<br>Company<br>Year ended<br>31 December<br>2020<br>Number of shares | Group and<br>Company<br>Year ended<br>31 December<br>2020<br>£000 |
|--------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------|
| Allotted, issued and fully paid:<br>Ordinary Shares of £0.01 | 18,238,480                                                                    | 183                                                               | 18,088,480                                                                    | 181                                                               |
|                                                              | 18,238,480                                                                    | 183                                                               | 18,088,480                                                                    | 181                                                               |

The allotted issued and fully paid ZDP Shares of the Group at 31 December 2021 are disclosed in note 12.

During the year ended 31 December 2021, the Company issued 150,000 (2020: nil) shares of £0.01 each for a net consideration of £262,000 (2020: £nil). Details of the shareholder authorities granted to Directors to issue and buy back shares during the year are provided on pages 31 to 32.

## 15. SHARE PREMIUM

|                                   | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|-----------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Opening balance                   | 8,701                                              | 8,701                                                | 8,701                                              | 8,701                                                |
| Issue of Ordinary Shares          | 274                                                | 274                                                  | –                                                  | –                                                    |
| Costs on issue of Ordinary shares | (14)                                               | (14)                                                 | –                                                  | –                                                    |
| Closing balance                   | 8,961                                              | 8,961                                                | 8,701                                              | 8,701                                                |

## 16. CAPITAL RESERVE

|                                                                     | Group<br>Year ended<br>31 December<br>2021<br>£000 | Company<br>Year ended<br>31 December<br>2021<br>£000 | Group<br>Year ended<br>31 December<br>2020<br>£000 | Company<br>Year ended<br>31 December<br>2020<br>£000 |
|---------------------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------------|
| Opening balance                                                     | 13,664                                             | 13,664                                               | 8,343                                              | 8,343                                                |
| Gains on investments – held at fair value through profit or loss    | 7,469                                              | 7,469                                                | 5,028                                              | 5,028                                                |
| Gains on derivative financial instruments                           | –                                                  | –                                                    | 2,894                                              | 2,894                                                |
| Gains/(losses) on investments on forward foreign exchange contracts | 405                                                | 405                                                  | (541)                                              | (541)                                                |
| Losses on foreign exchange                                          | (42)                                               | (42)                                                 | (94)                                               | (94)                                                 |
| Provision for compound growth redemption yield on ZDP Shares        | (714)                                              | (714)                                                | (1,320)                                            | (1,320)                                              |
| Investment management fee charged to capital                        | (211)                                              | (211)                                                | (240)                                              | (240)                                                |
| Reconstruction costs*                                               | (43)                                               | (43)                                                 | (406)                                              | (406)                                                |
| Closing balance                                                     | 20,528                                             | 20,528                                               | 13,661                                             | 13,661                                               |

\* These costs were incurred in connection with the reconstruction of the Company as set out in pages 52 and 61.

## 17. FINANCIAL COMMITMENTS

At 31 December 2021 there were no commitments in respect of unpaid calls and underwritings (31 December 2020: nil).

# Notes to the Financial Statements continued

## 18. RETURN PER SHARE – BASIC

Total return per Ordinary Share is based on the total comprehensive gain for the year after taxation of £8,216,000 (31 December 2020: £7,006,000).

These calculations are based on the weighted average number of 18,202,903 Ordinary Shares in issue during the year to 31 December 2021 (2020: 18,088,480 Ordinary Shares).

The return per Ordinary Share can be further analysed between revenue and capital as below:

|                    | Year ended<br>31 December<br>2021<br>Pence per<br>Ordinary Share | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>Pence per<br>Ordinary Share | Year ended<br>31 December<br>2020<br>£000 |
|--------------------|------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------|-------------------------------------------|
| Net revenue return | 7.43p                                                            | 1,352                                     | 9.32p                                                            | 1,685                                     |
| Net capital return | 37.71p                                                           | 6,864                                     | 29.41p                                                           | 5,321                                     |
| Net total return   | 45.14p                                                           | 8,216                                     | 38.73p                                                           | 7,006                                     |

The Company does not have any dilutive securities.

## 19. NET ASSET VALUE PER SHARE

The net asset value per share and the net assets available to each class of share calculated in accordance with International Financial Reporting Standards (IFRSs), are as follows:

|                                                        | Net asset value<br>per share<br>31 December<br>2021<br>Pence | Net assets<br>available<br>31 December<br>2021<br>£000 | Net asset value<br>per share<br>31 December<br>2020<br>Pence | Net assets<br>available<br>31 December<br>2020<br>£000 |
|--------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------|
| 18,238,480 Ordinary Shares in issue (2020: 18,088,480) | 210.60p                                                      | 38,410                                                 | 173.48p                                                      | 31,379                                                 |

## 20. RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH THE INVESTMENT MANAGER

Details of the investment management fee charged by Premier Portfolio Managers Limited is set out in note 3. At 31 December 2021, £62,000 (31 December 2020: £75,000) of these fees remained outstanding.

In addition, Link Company Matters Limited acts as Company Secretary and the fee for secretarial services is set out in note 4. At 31 December 2021, £nil (31 December 2020: £nil) of these fees remained outstanding.

Fees paid to the Directors are disclosed in the Directors' Remuneration Report on page 40.

Full details of Directors' interests are set out in the Directors' Remuneration Report on page 38.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

### (a) MARKET RISK

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk (see (b) below), interest rate risk (see (c) below) and other price risk (see (d) below). The Board of Directors reviews and agrees policies for managing these risks, which have remained substantially unchanged from those applying in the year ended 31 December 2020. The Company's Investment Manager assesses the exposure to market risk when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

### (b) CURRENCY RISK

Certain of the Company's assets, liabilities, and income, are denominated in currencies other than sterling (the Company's functional currency, in which it reports its results). As a result, movements in exchange rates may affect the sterling value of those items.

#### Management of the risk

The Investment Manager monitors the Company's exposure and reports to the Board on a regular basis.

When appropriate the Investment Manager deploys active hedging against exchange rate fluctuations where adverse movements are anticipated.

Income denominated in foreign currencies is converted to sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

#### Foreign currency exposures

An analysis of the Company's equity investments and liabilities at 31 December 2021 (shown at fair value, except derivatives at gross exposure value) that are priced in a foreign currency based on the country of primary exposure are shown below:

|                   | As at 31 December 2021                                        |                     |              |                     |                                 | As at<br>31 December<br>2020    |
|-------------------|---------------------------------------------------------------|---------------------|--------------|---------------------|---------------------------------|---------------------------------|
|                   | Derivative financial instruments assets/(liabilities)<br>£000 | Investments<br>£000 | Cash<br>£000 | Receivables<br>£000 | Net financial<br>assets<br>£000 | Net financial<br>assets<br>£000 |
| Sterling          | 8,527                                                         | 18,390              | 551          | 83                  | 27,551                          | 20,757                          |
| Australian Dollar | –                                                             | 801                 | –            | –                   | 801                             | 2,055                           |
| Brazilian Real    | –                                                             | 361                 | –            | –                   | 361                             | 630                             |
| Canadian Dollar   | –                                                             | 4,583               | 2            | 35                  | 4,620                           | 5,995                           |
| Danish Krone      | –                                                             | –                   | –            | –                   | –                               | 195                             |
| Euro              | (8,410)                                                       | 11,047              | 3            | 66                  | 2,706                           | 4,966                           |
| Hong Kong Dollar  | –                                                             | 10,071              | –            | –                   | 10,071                          | 4,488                           |
| Norwegian Krone   | –                                                             | 1,805               | –            | –                   | 1,805                           | 1,561                           |
| US Dollar         | –                                                             | 5,636               | 6            | 5                   | 5,647                           | 5,201                           |
| Total             | 117                                                           | 52,694              | 562          | 189                 | 53,562                          | 45,848                          |

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (b) CURRENCY RISK continued

#### Foreign currency sensitivity

The following tables illustrate the sensitivity of the return on ordinary activities after taxation for the year and the equity in regard to the Company's non monetary financial assets to changes in the exchange rates for the portfolio's significant currency exposures, these being sterling/Hong Kong Dollar, sterling/US Dollar and sterling/Euro.

They assume the following changes in exchange rates:

Sterling/Hong Kong Dollar +/- 0.3% (2020: 0.6%)

Sterling/US Dollar +/- 0.3% (2020: 0.6%)

Sterling/Euro +/- 0.3% (2020: 0.5%)

These percentages have been determined based on the average market volatility in exchange rates, in the previous 12 months.

If sterling had strengthened against the currencies shown assuming there was no currency hedge in place, this would have had the following effect:

|                                          | 2021<br>Hong Kong Dollar<br>£000 | 2021<br>US Dollar<br>£000 | 2021<br>Euro<br>£000 | 2020<br>Hong Kong Dollar<br>£000 | 2020<br>US Dollar<br>£000 | 2020<br>Euro<br>£000 |
|------------------------------------------|----------------------------------|---------------------------|----------------------|----------------------------------|---------------------------|----------------------|
| Projected change                         | 0.3%                             | 0.3%                      | 0.3%                 | 0.6%                             | 0.6%                      | 0.5%                 |
| Impact on revenue return                 | (1)                              | (1)                       | (1)                  | (2)                              | (4)                       | (1)                  |
| Impact on capital return                 | (34)                             | (19)                      | (31)                 | (38)                             | (39)                      | (32)                 |
| Total return after taxation for the year | (35)                             | (20)                      | (32)                 | (40)                             | (43)                      | (33)                 |
| Equity                                   | (35)                             | (20)                      | (32)                 | (40)                             | (43)                      | (33)                 |

If sterling had weakened against the currencies shown assuming there was no currency hedge in place, this would have had the following effect:

|                                          | 2021<br>Hong Kong Dollar<br>£000 | 2021<br>US Dollar<br>£000 | 2021<br>Euro<br>£000 | 2020<br>Hong Kong Dollar<br>£000 | 2020<br>US Dollar<br>£000 | 2020<br>Euro<br>£000 |
|------------------------------------------|----------------------------------|---------------------------|----------------------|----------------------------------|---------------------------|----------------------|
| Projected change                         | 0.3%                             | 0.3%                      | 0.3%                 | 0.6%                             | 0.6%                      | 0.5%                 |
| Impact on revenue return                 | 1                                | 1                         | 1                    | 2                                | 4                         | 1                    |
| Impact on capital return                 | 34                               | 19                        | 31                   | 38                               | 39                        | 32                   |
| Total return after taxation for the year | 35                               | 20                        | 32                   | 40                               | 43                        | 33                   |
| Equity                                   | 35                               | 20                        | 32                   | 40                               | 43                        | 33                   |

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process used to meet the Company's objectives.



# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (c) INTEREST RATE RISK

Interest rate movements may affect the level of income receivable on cash deposits. Interest rate movements may affect the fair value of investments in fixed-interest rate securities.

Cash at bank at 31 December 2021 (and 31 December 2020) was held at floating interest rates, linked to current short-term market rates.

Due to the insignificant impact of fluctuations in interest rates no sensitivity analysis is shown.

### (d) OTHER PRICE RISK

#### Management of the risk

The Board of Directors manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets regularly and at each meeting reviews investment performance. The Board monitors the Investment Manager's compliance with the Company's objectives.

When appropriate, the Company manages its exposure to risk by using futures contracts or by buying put options on indices and on quoted equity investments in its portfolio.

#### Concentration of exposure to other price risks

A sector breakdown and geographical allocation of the portfolio is contained in the Investment Manager's Report on page 11.

#### Other price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and the equity to an increase or decrease of 10% in the fair values of the Company's equities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each balance sheet date, with all other variables held constant.

|                                                        | Increase in<br>fair value<br>2021<br>£000 | Decrease in<br>fair value<br>2021<br>£000 | Increase in<br>fair value<br>2020<br>£000 | Decrease in<br>fair value<br>2020<br>£000 |
|--------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Consolidated Income Statement – return after taxation: |                                           |                                           |                                           |                                           |
| Capital return – increase/(decrease)                   | 5,269                                     | (5,269)                                   | 4,515                                     | (4,515)                                   |
| Total return after taxation – increase/(decrease)      | 5,269                                     | (5,269)                                   | 4,515                                     | (4,515)                                   |
| Equity                                                 | 5,269                                     | (5,269)                                   | 4,515                                     | (4,515)                                   |

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (e) LIQUIDITY RISK

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

#### Management of the risk

The Directors believe that liquidity risk is not significant as the majority of the Company's assets are investments in quoted securities that are readily realisable. The Company does not have any borrowing facilities.

The investments in unquoted securities may have limited liquidity and be difficult to realise. At 31 December 2021 and 31 December 2020, the unquoted securities are valued at £100,000 which relates to the two wholly-owned subsidiaries, PMGR Securities 2025 PLC and PGIT Securities 2020 PLC (in liquidation). The Company may invest up to 15% of its gross assets in unquoted securities.

The Board gives guidance to the Investment Manager as to the maximum amount of the Company's resources that should be invested in any one holding. The policy is that the Company should remain fully invested in normal market conditions and that portfolio liquidity may be used to manage short term cash requirements. The Board will monitor the level of liquidity required to fund the repayment of the ZDP Shares and the impact of the issue of any new ZDP Shares.

The contractual maturities of the Group's financial liabilities at 31 December 2021, based on the earliest date on which payment can be required, were as follows:

|                                          | 3 months<br>or less<br>£000 | Not more<br>than one year<br>£000 | Between<br>one and five<br>years<br>£000 | Total<br>£000 |
|------------------------------------------|-----------------------------|-----------------------------------|------------------------------------------|---------------|
| <b>At 31 December 2021</b>               |                             |                                   |                                          |               |
| Payables and other financial liabilities | (162)                       | –                                 | –                                        | (162)         |
| ZDP Shares                               | –                           | –                                 | (18,143)                                 | (18,143)      |

The contractual maturities of the Group's financial liabilities at 31 December 2020, based on the earliest date on which payment can be required, were as follows:

|                                          | 3 months<br>or less<br>£000 | Not more<br>than one year<br>£000 | Between<br>one and five<br>years<br>£000 | Total<br>£000 |
|------------------------------------------|-----------------------------|-----------------------------------|------------------------------------------|---------------|
| <b>At 31 December 2020</b>               |                             |                                   |                                          |               |
| Payables and other financial liabilities | (193)                       | –                                 | –                                        | (193)         |
| ZDP Shares                               | –                           | –                                 | (18,143)                                 | (18,143)      |

### (f) CREDIT RISK

The failure of the counterparty to a transaction to discharge its obligations under that transaction could result in the Company suffering a loss. The maximum exposure to credit risk at 31 December 2021 (comprising of current assets and cash at bank) was £868,000 (31 December 2020: £696,000). The calculation is based on the Company's credit exposure as at 31 December 2021 and may not be representative of the year as a whole.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (g) FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The financial assets and liabilities are either carried in the balance sheet at their fair value, or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals and cash balances).

The tables below set out fair value measurements using fair value hierarchy, where Level 1, Level 2 and total figures apply to both Group and Company and Level 3 figures apply only to Company.

#### Financial assets at fair value through profit or loss at 31 December 2021

|                                    | Notes | Level 1<br>£000 | Level 2<br>£000 | Level 3<br>£000 | Total<br>£000 |
|------------------------------------|-------|-----------------|-----------------|-----------------|---------------|
| Equity investments                 |       | 52,694          | –               | –               | 52,694        |
| Investments in subsidiaries        |       | –               | –               | 100             | 100           |
| Forward foreign exchange contracts | 13    | –               | 117             | –               | 117           |
| <b>Total</b>                       |       | <b>52,694</b>   | <b>117</b>      | <b>100</b>      | <b>52,911</b> |

#### Financial assets at fair value through profit or loss at 31 December 2020

|                                    | Notes | Level 1<br>£000 | Level 2<br>£000 | Level 3<br>£000 | Total<br>£000 |
|------------------------------------|-------|-----------------|-----------------|-----------------|---------------|
| Equity investments                 |       | 45,152          | –               | –               | 45,152        |
| Investments in subsidiaries        |       | –               | –               | 100             | 100           |
| Forward foreign exchange contracts | 13    | –               | 194             | –               | 194           |
| <b>Total</b>                       |       | <b>45,152</b>   | <b>194</b>      | <b>100</b>      | <b>45,446</b> |

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1. Level 2 investments include the Company's forward currency contracts, these are valued using the Prime Broker contracts which uses spot foreign exchange rates in the respective currencies.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Level 3 fair values are determined by the Directors using valuation methodologies in accordance with the IPEV Guidelines and as detailed in note 1.1 (h). Significant inputs include investment cost, the value of the most recent capital raising and the adjusted net asset value of funds. In accordance with IPEV Guidelines, new investments are carried at cost, the price of the most recent investment being a good indication of fair value. Thereafter, fair value is the amount deemed to be the price that would be received upon sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At 31 December 2021, the Company's Level 3 investments related to the two wholly-owned subsidiaries, PMGR Securities 2025 PLC and PGIT Securities 2020 PLC (in liquidation). The net asset value of the subsidiaries are considered to be the fair value.

The valuation techniques used by the Company are explained in the accounting policies note on pages 59 and 60.

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (g) FAIR VALUE MEASUREMENTS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES continued

A reconciliation of fair value measurements in Level 3 is set out below.

#### Level 3 financial assets at fair value through profit or loss

|                                                                                                      | As at<br>31 December<br>2021<br>£000 |
|------------------------------------------------------------------------------------------------------|--------------------------------------|
| Opening fair value – PGIT Securities 2020 PLC ( <i>in liquidation</i> ) and PMGR Securities 2025 PLC | 100                                  |
| Closing fair value – PGIT Securities 2020 PLC ( <i>in liquidation</i> ) and PMGR Securities 2025 PLC | 100                                  |

The listed bid price was used to determine the fair value of the ZDP Shares as at 31 December 2021:

|            | As at 31 December 2021 |            | As at 31 December 2020 |            |
|------------|------------------------|------------|------------------------|------------|
|            | Book value             | Fair value | Book value             | Fair value |
|            | Level 2                | Level 2    | Level 2                | Level 2    |
|            | £000                   | £000       | £000                   | £000       |
| ZDP Shares | 14,990                 | 15,141     | 14,276                 | 14,644     |

The ZDP Shares are considered to be Level 2 (2020: Level 2), due to low volumes of trade.

### (h) CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to achieve a high income from its portfolio and to realise long-term growth in the capital value of the portfolio.

The Company's capital at 31 December comprises:

|                                       | 2021<br>£000 | 2020<br>£000 |
|---------------------------------------|--------------|--------------|
| Total assets                          | 53,562       | 45,848       |
| Debt:                                 |              |              |
| ZDP Shares                            | (14,990)     | (14,276)     |
| Equity:                               |              |              |
| Equity share capital                  | 183          | 181          |
| Retained earnings and other reserves  | 38,227       | 31,198       |
|                                       | 38,410       | 31,379       |
| Debt as a percentage of total capital | 27.99%       | 31.14%       |

# Notes to the Financial Statements continued

## 21. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES continued

### (h) CAPITAL MANAGEMENT POLICIES AND PROCEDURES continued

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

- As a public company, the Company has to have a minimum share capital of £50,000.
- In order to be able to pay dividends out of profits available for distribution by way of dividends, the Company has to be able to meet one of the two capital restriction tests imposed on investment companies by company law.

These requirements are unchanged since last year and the Company has complied with them.

## 22. SEGMENTAL REPORTING

The chief operating decision maker has been identified as the Board of Premier Miton Global Renewables Trust PLC. The Board reviews the Company's internal management accounts in order to analyse performance.

The Directors are of the opinion that the Company is engaged in one segment of business, being the investment business.

Geographical segmental analysis pertaining to the Company has not been disclosed because the Directors are of the opinion that as an investment company the geographical sources of revenues received by the Company are incidental to its investment activity.

## 23. SUBSEQUENT EVENTS

There were no subsequent events.

# Glossary of Terms and Alternative Performance Measures

## ALTERNATIVE PERFORMANCE MEASURES ("APMS")

The European Securities and Markets Authority defines an Alternative Performance Measure ("APM") as being a financial measure of historical or future financial performance, financial position or cash flow, other than a financial measure defined or specified in the applicable accounting framework. The APMs used may not be directly comparable with those used by other companies. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company. In particular the Directors have selected APMS which allow the user to gain a better understanding of the Company's capital structure and the risks inherent within the Company's structure. The following APM's have been used:

### DISCOUNT/PREMIUM (APM)

If the share price of an investment trust is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium. The Board monitors the level of discount or premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing and share buy-backs, where appropriate. The discount/premium is shown on page 2.

|                                                 |         | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
|-------------------------------------------------|---------|------------------------------|------------------------------|
| Net Asset Value per Ordinary Share (cum income) | a       | <b>210.60p</b>               | 173.48p                      |
| Mid-market price per Ordinary Share             | b       | <b>196.50p</b>               | 157.50p                      |
| Discount                                        | (b-a)/a | <b>6.7%</b>                  | 9.2%                         |

### GEARING (APM)

Gearing, or leverage, is introduced when a company borrows money or issues prior ranking share classes such as Zero Dividend Preference ("ZDP") shares, to buy additional investments. The objective is to enhance returns to shareholders but there is the risk of the opposite effect if the additional investments fall in value.

Gearing has been calculated by dividing the Zero Dividend Preference Shares over the Equity attributable to Ordinary Shareholders.

|                                              | As at<br>31 December<br>2021 | As at<br>31 December<br>2020 |
|----------------------------------------------|------------------------------|------------------------------|
| Zero Dividend Preference Shares              | <b>£15.0m</b>                | £14.3m                       |
| Equity attributable to Ordinary Shareholders | <b>£38.4m</b>                | £31.4m                       |
| Gearing                                      | <b>39.0%</b>                 | 45.5%                        |

### GROSS REDEMPTION YIELD

The return on a fixed-interest security, or any investment with a known life, expressed as an annual percentage and without any deduction for tax. Redemption yield measures the capital as well as income return on investments with a fixed life.

# Glossary of Terms and Alternative Performance Measures continued

## HURDLE RATES (APM)

The compound rate of growth or decline of the total assets required each year until the redemption date for shareholders to receive the predetermined redemption price on a Zero Dividend Preference Share or the current share price on an Ordinary Share.

|                                                                                                                        |                                                               | Year ended<br>31 December<br>2021 | Year ended<br>31 December<br>2020 |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Hurdle Rate – Ordinary Shares</b>                                                                                   |                                                               |                                   |                                   |
| Gross assets less current liabilities                                                                                  | a                                                             | <b>£53.4m</b>                     | £45.7m                            |
| Less management fees to be charged to capital until ZDP redemption date                                                | b                                                             | <b>(£0.9m)</b>                    | (£1.0m)                           |
|                                                                                                                        | c = a+b                                                       | <b>£52.5m</b>                     | £44.7m                            |
| Redemption value of Zero Dividend Preference Shares                                                                    | d                                                             | <b>(£18.1m)</b>                   | (£18.1m)                          |
| Expected equity attributable to Ordinary Shareholders at ZDP redemption date 28 November 2025                          | e = c+d                                                       | <b>£34.3m</b>                     | £26.6m                            |
| 31 December 2021 market capitalisation based on mid share price of 196.50p (2020: 157.50p) x number of shares in issue | f                                                             | <b>£35.8m</b>                     | £28.5m                            |
| Difference between year-end market capitalisation and expected market capitalisation at ZDP redemption date            | g = f-e                                                       | <b>£1.5m</b>                      | £1.9m                             |
| Annualised change in year-end gross assets required to return current market capitalisation at ZDP redemption date     | h = g/a                                                       | <b>2.9%</b>                       | 4.4%                              |
| Ordinary Shares Hurdle to Return the 31 December 2021/31 December 2020 share price at 28 November 2025                 | $= (1+h)^{(1/((\text{number of days to redemption})/365))}-1$ | <b>0.7%</b>                       | 0.9%                              |

Numbers have been rounded.

|                                                                                                        |                                                               | Year ended<br>31 December<br>2021 | Year ended<br>31 December<br>2020 |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------|-----------------------------------|
| <b>Hurdle Rate – Zero Dividend Preference Shares</b>                                                   |                                                               |                                   |                                   |
| Gross assets less current liabilities                                                                  | a                                                             | <b>£53.4m</b>                     | £45.7m                            |
| Redemption value of Zero Dividend Preference Shares                                                    | b                                                             | <b>£18.1m</b>                     | £18.1m                            |
| Management fees to be charged to capital until ZDP redemption date                                     | c                                                             | <b>£0.9m</b>                      | £1.0m                             |
|                                                                                                        | d = b+c                                                       | <b>£19.1m</b>                     | £19.1m                            |
| Percentage to fall before Zero Dividend Preference Shares not fully covered                            | e = (d-a)/a                                                   | <b>(64.3%)</b>                    | (58.2%)                           |
| Zero Dividend Preference Shares Hurdle to Return the redemption price of 127.6111p at 28 November 2025 | $= (1+e)^{(1/((\text{number of days to redemption})/365))}-1$ | <b>(23.1%)</b>                    | (16.2%)                           |

Numbers have been rounded.

# Glossary of Terms and Alternative Performance Measures continued

## NET ASSET VALUE ("NAV") (CUM INCOME)

The NAV is the assets attributable to shareholders expressed as an amount per individual share. PMGR's Ordinary Share NAV is calculated as the total value of all its assets, at current market value, having deducted all prior charges at their par value (or at their asset value). "Cum income" referred to the inclusion of current year net revenue accrued but not yet paid as a dividend.

## NAV TOTAL RETURN (APM)

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV. Total return statistics enable the investor to make performance comparisons between companies with different dividend policies. Any dividends (after tax) received by a shareholder are assumed to have been reinvested in either additional shares of the company at the time the shares go ex-dividend (the share price total return) or in the assets of the company at its NAV per share (the NAV total return). The total return, the NAV total return and the share price total return figures are shown on page 2.

|                                | Year ended<br>31 December<br>2021 | Year ended<br>31 December<br>2020 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Opening NAV                    | <b>173.48p</b>                    | 144.94p                           |
| Increase in NAV                | <b>37.12p</b>                     | 28.54p                            |
| Closing NAV                    | <b>210.60p</b>                    | 173.48p                           |
| % increase in NAV              | <b>21.4%</b>                      | 19.7%                             |
| Impact of reinvested dividends | <b>5.1%</b>                       | 9.8%                              |
| NAV Total Return               | <b>26.5%</b>                      | 29.5%                             |

## ONGOING CHARGES (APM)

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, expressed as a percentage of the average of the daily Total Assets during the year (see page 2). The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost.

| Year ended 31 December                 | 2021<br>£000 | 2021<br>£000  | 2020<br>£000 | 2020<br>£000 |
|----------------------------------------|--------------|---------------|--------------|--------------|
| Average Total Assets                   | a            | <b>48,828</b> |              | 53,056       |
| Investment management fee              | <b>352</b>   |               | 400          |              |
| Other operating expenses               | <b>456</b>   |               | 532          |              |
| Total expenses excluding finance costs | b            | <b>808</b>    |              | 932          |
| Ongoing charges                        | (b÷a)        | <b>1.65%</b>  |              | 1.76%        |



# Glossary of Terms and Alternative Performance Measures continued

## SHARE PRICE TOTAL RETURN (APM)

The return to the investor, on a mid price to mid price basis, assuming that all dividends paid were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

|                                | Year ended<br>31 December<br>2021 | Year ended<br>31 December<br>2020 |
|--------------------------------|-----------------------------------|-----------------------------------|
| Opening share price            | <b>157.50p</b>                    | 130.00p                           |
| Increase in share price        | <b>39.00p</b>                     | 27.50p                            |
| Closing share price            | <b>196.50p</b>                    | 157.50p                           |
| % increase in share price      | <b>24.8%</b>                      | 21.2%                             |
| Impact of reinvested dividends | <b>5.9%</b>                       | 9.8%                              |
| Share Price Total Return       | <b>30.7%</b>                      | 31.0%                             |

## TOTAL ASSETS

Total assets less current liabilities, before deduction of all borrowings.

## TOTAL ASSETS TOTAL RETURN (APM)

The total assets total return compares the closing assets to the opening assets plus the dividends that have gone ex-dividend during the year.

|                                              | Year ended<br>31 December<br>2021<br>£000 | Year ended<br>31 December<br>2020<br>£000 |
|----------------------------------------------|-------------------------------------------|-------------------------------------------|
| Opening Total Assets                         | <b>45,655</b>                             | 55,204                                    |
| Closing Total Assets                         | <b>53,400</b>                             | 45,655                                    |
| Increase/(decrease)                          | <b>7,745</b>                              | (9,549)                                   |
| Zero Dividend Preference net refinancing     | –                                         | 16,031                                    |
| Dividends marked "ex-dividend" in the period | <b>1,447</b>                              | 1,844                                     |
| Total assets total return (£000)             | <b>9,192</b>                              | 8,326                                     |
| Total assets total return (%)                | <b>19.8%</b>                              | 16.5%                                     |

Total assets total return expressed as a percentage, takes into account timing of dividends and other capital returns during the year, and also assumes dividends are reinvested. The disclosures provided above are illustrative of the major components of the calculation, and cannot of themselves be used to replicate the calculation.

## Glossary of Terms and Alternative Performance Measures continued

### ZERO DIVIDEND PREFERENCE SHARE COVER (NON CUMULATIVE) (APM)

The non cumulative cover measures the amount by which the final redemption value of the Zero Dividend Preference Shares are secured by the total assets of the Group allowing for all prior ranking liabilities and the accrual of expenses to capital over the remaining period to the redemption of the Zero Dividend Preference Shares.

|                                                                                   |             | Year ended<br>31 December<br>2021 | Year ended<br>31 December<br>2020 |
|-----------------------------------------------------------------------------------|-------------|-----------------------------------|-----------------------------------|
| Gross assets less current liabilities (excluding Zero Dividend Preference Shares) |             | <b>£53.4m</b>                     | £45.7m                            |
| Less December revenue reserve                                                     |             | <b>(£1.2m)</b>                    | (£1.3m)                           |
| Gross assets for Zero Dividend Preference Cover                                   | a           | <b>£52.2m</b>                     | £44.4m                            |
| Redemption value of Zero Dividend Preference Shares                               | b           | <b>£18.1m</b>                     | £18.1m                            |
| Management fees charged to capital                                                | c           | <b>£0.2m</b>                      | £0.2m                             |
| Years left                                                                        | d           | <b>3.91</b>                       | 4.91                              |
| Zero Dividend Preference Share Cover (non cumulative)                             | a/(b+(c*d)) | <b>2.74x</b>                      | 2.32x                             |

# Company History

The Company, a UK investment trust listed on the Main Market of the London Stock Exchange, was incorporated on 12 September 2003 and commenced its activities on 4 November 2003. The Company was established in connection with the scheme of reconstruction of Legg Mason Investors International Utilities Trust PLC, with 18,143,433 Ordinary Shares and 19,143,433 Zero Dividend Preference Shares being allotted at launch. On 18 December 2009 shareholders approved special resolutions to implement tender offers for Ordinary Shares and Zero Dividend Preference ("ZDP") Shares, to extend the life of the Company until 31 December 2015 and to amend the final entitlement per ZDP Share to 221.78p on 31 December 2015. On 15 December 2010 shareholders approved proposals to issue new shares in connection with the reconstruction of Premier Renewable Energy Fund Limited.

On 27 August 2014 shareholders approved proposals to extend the life of the Company and to implement a reorganisation of the Company through a scheme of arrangement. The existing ZDP Shares were replaced with New ZDP Shares issued by a newly incorporated subsidiary of the Company, PEWT Securities PLC and the Articles were amended to allow the Company to continue with an indefinite life whilst including a provision to allow holders of ordinary shares an opportunity to vote on the continued existence of the Company every five years from 2020. In December 2014 the Company raised £1,361,931 (after expenses) through the placing of 310,000 Ordinary Shares and 384,681 ZDP Shares (issued by PEWT Securities PLC).

During 2015 the Company raised £3,153,000 (after expenses) through the placing of 710,000 Ordinary Shares and 881,045 ZDP Shares (issued by PEWT Securities PLC).

On 14 December 2015 it was announced that elections by ZDP Shareholders to participate in the Rollover Option exceeded the Maximum Issue Size, meaning that such Elections were scaled back on a pro-rata basis. Each ZDP Shareholder who made a valid Election to receive new ZDP Shares of PEWT Securities 2020 PLC received approximately 1,871 new ZDP Shares and £346.80 in cash for every 1,000 existing ZDP Shares held on the Effective Date and for which they made a valid Election. On 31 December 2015, PEWT Securities PLC was placed into members' voluntary liquidation and 24,073,337 new ZDP Shares in PEWT Securities 2020 PLC, with a final capital entitlement per ZDP Share of 125.6519 pence on 30 November 2020, were issued to satisfy ZDP Shareholders who had elected to roll over their investment.

On 1 November 2017, the Board of Premier Energy and Water Trust PLC announced that the name of the Company changed to Premier Global Infrastructure Trust PLC and simultaneously the name of the Company's subsidiary, PEWT Securities 2020 PLC, was changed to PGIT Securities 2020 PLC.

At the Company's Annual General Meeting held on 22 April 2020, shareholders approved a resolution that the company continue in existence as an Investment Trust until the Annual General Meeting in 2025.

At a General Meeting held on 9 October 2020, shareholders approved a resolution to amend the Company's investment policy so that the portfolio consists primarily of investments in companies operating in the renewable energy sector as well as other sustainable infrastructure investments. On 16 November 2020 the Company changed its name to Premier Miton Global Renewables Trust PLC.

On 23 November 2020 the Company announced that valid Elections to participate in a new ZDP share to be issued by PMGR Securities 2025 PLC were received in respect of 8,648,877 existing ZDP Shares issued by PGIT Securities 2020 PLC, resulting in an entitlement to 10,867,439 new ZDP Shares. In addition PMGR Securities 2025 PLC placed a further 3,349,900 new ZDP Shares with new investors. On 30 November 2020, PGIT Securities 2020 PLC was placed into members' voluntary liquidation and existing ZDP Shares, which had not made a valid Election to receive new ZDP Shares, received their final capital entitlement of 125.6519 pence per ZDP share. On the same day, PMGR Securities 2025 PLC issued 14,217,339 new ZDP Shares with a final capital entitlement of 126.6111 pence on 28 November 2025.

During 2021 the Company raised £262,000 (after expenses) through the placing of 150,000 Ordinary Shares.

# Shareholder Information

## SHARE PRICE AND PERFORMANCE INFORMATION

The Ordinary Shares and ZDP Shares are listed on the London Stock Exchange. Information about the Company and that of the other investment companies managed by Premier Miton Group plc, namely, the Diverse Income Trust plc, Miton UK MicroCap Trust plc and Miton Global Opportunities plc, including current share prices can be obtained directly from:

[www.globalrenewablestrust.com](http://www.globalrenewablestrust.com)

Contact Premier Miton on 0333 456 1122, or by e-mail to [investorservices@premiermiton.com](mailto:investorservices@premiermiton.com)

## SHARE DEALING

Shares can be purchased through a stockbroker, or on a variety of retail investor platforms.

## SHARE REGISTER ENQUIRIES

The register for the Ordinary Shares and ZDP Shares is maintained by Link Group. In the event of queries regarding your holding, please contact the Registrar on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. You can also contact the registrar by email at [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk). Changes of name and/or address must be notified in writing to the Registrar.

## STATEMENT REGARDING NON-MAINSTREAM INVESTMENT PRODUCTS

The Company currently conducts its affairs so that both the Ordinary Shares issued by the Company and the ZDP Shares issued by the Company's wholly-owned subsidiary PMGR Securities 2025 PLC can be recommended by IFAs to retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future.

The Ordinary Shares and the ZDP Shares fall outside the restrictions which apply to non-mainstream investment products because they are excluded securities.



The Association of  
Investment Companies

A member of the Association of Investment Companies.

# AIFMD Disclosures and Remuneration Disclosure

## AIFMD DISCLOSURES

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect on 22 July 2014. The Alternative Investment Fund Manager ("AIFM") of the Company is Premier Portfolio Managers Limited ("PPM"), authorised by the FCA as an Alternative Investment Fund Manager ("AIFM") under the AIFMD.

### Pre-Investment Disclosures

The AIFM is required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment can be found at <https://www.premierfunds.co.uk/media/820971/premier-miton-global-renewables-trust-pre-investment-disclosure-document-aifmd.pdf>. The document was updated in November 2021 and there have been no material changes to the disclosures contained within the document since that date.

### AIFMD Leverage limits

The maximum level of leverage which the Investment Manager may employ on behalf of the Company and the levels as at 31 December 2021 are set out below:

Note that a leverage or commitment exposure level of 100% represents no leverage. Leverage arises from the ZDP Shares and forward currency contracts.

|                                                                                |                                    |
|--------------------------------------------------------------------------------|------------------------------------|
| Maximum gross leverage (calculated as specified by the AIFM Directive): 1,000% | Level as at 31 December 2021: 160% |
|--------------------------------------------------------------------------------|------------------------------------|

|                                                                                   |                                    |
|-----------------------------------------------------------------------------------|------------------------------------|
| Maximum commitment exposure (calculated as specified by the AIFM Directive): 800% | Level as at 31 December 2021: 140% |
|-----------------------------------------------------------------------------------|------------------------------------|

### Remuneration Disclosure

The provisions of the AIFMD require the AIFM to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management.

The AIFM is part of a larger group of companies within which remuneration policies are the responsibility of a remuneration committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the AIFM's group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The policies are designed to reward long term performance and long term profitability.

Within the Group, all staff are employed by a subsidiary of the Parent Company with none employed directly by the AIFM. The costs of a number of individuals are allocated between the entities within the AIFM's group based on the expected amount of time devoted to each.

The total remuneration of those individuals who are fully or partly involved in the activities of the AIFM in relation to Alternative Investment Funds ('AIFs'), including the Company and including those whose time is allocated between group entities, for the AIFM's financial year ending 30 September 2021, is analysed below:

|                               | 2021              |
|-------------------------------|-------------------|
| Fixed remuneration            | £3,831,752        |
| Variable remuneration         | £2,270,527        |
| <b>Total</b>                  | <b>£6,102,279</b> |
| <b>Weighted FTE Headcount</b> | <b>50</b>         |

## AIFMD Disclosures and Remuneration Disclosure continued

The table below provides an alternative analysis of the remuneration data.

Aggregate remuneration of:

|                                 |                   |
|---------------------------------|-------------------|
| Significant Influence Functions | £1,766,180        |
| Senior Management Functions     | £83,439           |
| Other staff                     | £4,252,660        |
| <b>Total</b>                    | <b>£6,102,279</b> |

The staff members included in the above analysis support all the funds managed by the AIFM. It is not considered feasible or useful to attempt to apportion these figures to individual AIFs.

The AIFM's management have reviewed the general principles of the remuneration policy and its application in the last year which has resulted in no material changes to the policy.

# Notice of Annual General Meeting

to the members of Premier Miton Global Renewables Trust PLC

**This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, bank manager, solicitor, accountant, or other independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all of your shares in Premier Miton Global Renewables Trust PLC, please forward this document and the accompanying documents as soon as possible to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.**

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Premier Fund Managers Limited, Eastgate Court, High Street, Guildford, Surrey, GU1 3DE on Thursday, 28 April 2022, at 12:15 p.m. to consider and, if thought fit, pass Resolutions 1 to 10 inclusive as ordinary resolutions and Resolutions 11 to 14 as special resolutions:

## Ordinary resolutions

- 1. To receive and adopt the Strategic Report, Directors' Report and Financial Statements for the year ended 31 December 2021, together with the report of the Auditor thereon.**
- 2. To approve the Directors' Remuneration Report for the year ended 31 December 2021, excluding the remuneration policy of the Company.**
- 3. To approve the Company's dividend policy to continue to pay four interim dividends per year.**
- 4. To re-elect Mrs Gillian Nott as a Director of the Company.**  
Gillian Nott is an experienced Chair of investment trusts having spent over 20 years working in the sector. In addition, she has a good understanding of regulatory matters having served on the Board of the Association of Investment Companies and the Financial Services Authority, the predecessor to the Financial Conduct Authority.
- 5. To re-elect Ms Victoria Muir as a Director of the Company.**  
Ms Muir has over 25 years' experience in financial services, with a particular focus on the distribution of investment products in the asset management industry. She is a Chartered Director, contributing a strong governance perspective.
- 6. To re-elect Mr Melville Trimble as a Director of the Company.**  
Melville Trimble has had over 30 years' experience of advising Investment Trust boards and has particular knowledge on the structuring of such companies. He is a qualified chartered accountant and a fellow of the Chartered Institute of Securities and Investments.
- 7. To reappoint KPMG LLP as Auditor of the Company to hold office until the conclusion of the next General Meeting at which financial statements are laid before the Company.**
- 8. To authorise the Audit Committee to determine the Auditor's remuneration.**
- 9. Authority to allot new shares:**  
THAT, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot ordinary shares of 1p each in the capital of the Company ("Ordinary Shares") up to an aggregate nominal amount of £18,238.48 (representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares), such authority to expire at conclusion of the Company's AGM to be held in 2023, unless renewed, varied or revoked by the Company in a general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such offer or agreement as if such authority had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Ordinary Shares but without prejudice to any allotment of Ordinary Shares or grant of rights made, offered or agreed to be made pursuant to such authorities.

# Notice of Annual General Meeting continued

10. THAT, subject to the passing of Resolution 9, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot Ordinary Shares up to an aggregate nominal amount of £18,238.48 (representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares), such authority to expire at conclusion of the Company's AGM to be held in 2023, unless renewed, varied or revoked by the Company in a general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer to enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such offer or agreement as if such authority had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Ordinary Shares but without prejudice to the authority granted to the Directors pursuant to Resolution 9, or any allotment of Ordinary Shares or grant of rights made, offered or agreed to be made pursuant to such authorities.

## Special Resolutions

### 11. Authority to disapply pre-emption rights:

THAT, subject to the passing of Resolution 9, the Directors be generally empowered (pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act")) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited up to an aggregate nominal amount of £18,238.48 representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares). This power will expire at the conclusion of the Company's AGM to be held in 2023 (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired.

12. THAT, subject to the passing of Resolution 10, the Directors be generally empowered (pursuant to sections 570 and 573 of the Companies Act 2006 (the "Act")) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited up to an aggregate nominal amount of £18,238.48 (representing approximately 10% of the Ordinary Shares in issue as at the date of this Notice, excluding treasury shares). This power will expire at the conclusion of the Company's AGM to be held in 2023 (unless previously revoked, varied or renewed by the Company in general meeting), save that the Company may, at any time prior to the expiry of such power, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power and the Directors may allot or sell from treasury Ordinary Shares in pursuance of such an offer or agreement as if such power had not expired. This resolution is in addition to the authority granted pursuant to, but without prejudice to that granted to, the Directors in Resolution 11 above.

### 13. Authority to repurchase the Company's shares:

THAT, in substitution of all existing authorities, the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares of 1p each in the capital of the Company (together the "Shares"), provided that:

- (a) the maximum number of Shares hereby authorised to be purchased shall be 2,733,948 Ordinary Shares;
- (b) the minimum price which may be paid for a Share is 1 pence;
- (c) the maximum price which may be paid for an Ordinary Share is an amount equal to the highest of (i) 105% of the average of the middle market quotation for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased and (ii) the higher of the price of the last independent trade in the Ordinary Shares and the highest then current independent bid for the Ordinary Shares on the London Stock Exchange;
- (d) Ordinary Shares may only be purchased at prices below their prevailing net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchase and taking into account the costs of the repurchase) and where:
  - (i) the Cover of the ZDP Shares issued by PMGR Securities 2025 PLC ("ZDP Shares") would not be reduced below 1.75 times;
  - or



## Notice of Annual General Meeting continued

- (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchase, in each case as determined by the Directors as at a date falling not more than ten days before the date of repurchase and taking account of any purchases of ZDP Shares proposed to be made at or about the same time;
- (e) Ordinary Shares and ZDP Shares may be purchased in such proportions and at such prices so as to effect an increase in the net asset value per Ordinary Share (as determined by the Directors in accordance with the Articles as at a date falling no more than 10 days before the date of the relevant repurchases and taking into account the costs of the repurchases) and where:
  - (i) the Cover of the ZDP Shares would not be reduced below 1.75 times; or
  - (ii) the Cover of the ZDP Shares would not be less than the Cover of the ZDP Shares in issue immediately prior to the repurchases, in each case as determined by the Directors as at a date falling not more than 10 days before the date of repurchases;
- (f) the authority hereby conferred shall expire at the earlier of the conclusion of the Annual General Meeting of the Company in 2023 or 28 October 2023 unless such authority is renewed prior to such time; and
- (g) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to expiry of such authority which will be or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

Any shares so purchased will be cancelled in accordance with the provisions of the Act.

#### 14. Notice Period for General Meetings

THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting of the Company.

By order of the Board

#### Link Company Matters Limited

Company Secretary

8 March 2022

Registered Office:  
6th Floor, 65 Gresham Street  
London EC2V 7NQ

# Notes to the Notice of Annual General Meeting

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A shareholder may not appoint more than one proxy to exercise the rights attached to any one share. A proxy need not be a shareholder of the Company.

To submit your proxy instructions, please complete the online form of proxy by logging on to [www.signalshares.com](http://www.signalshares.com) and selecting Premier Miton Global Renewables Trust PLC. If you have not yet registered for the share portal you will need your investor code (IVC) which is detailed on your share certificate or is available by calling our Registrar, Link Group on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 09:00 - 17:30 p.m., Monday to Friday excluding public holidays in England and Wales. Alternatively, you can request a paper proxy form from Link Group on the telephone number above and returning the completed form to the address shown on the form.

2. Any paper proxy form or other instrument appointing a proxy must be received by post to Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL or (during normal business hours only) by hand at the offices of the Company's registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL no later than 12:15 p.m. on Tuesday, 26 April 2022.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 9 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
5. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
6. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company by close of business on Tuesday, 26 April 2022 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting for the purposes of which no account is to be taken of any part of a day that is not a working day). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
7. As at 7 March 2022 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 18,238,480 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 7 March 2022 are 18,238,480.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 12:15 p.m. on Tuesday, 26 April 2022. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve

## Notes to the Notice of Annual General Meeting continued

the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
13. Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an Auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's Auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
14. Members have the right, under section 338 of the Companies Act 2006, to require the Company to give its members notice of a resolution which the shareholders wish to be moved at an annual general meeting of the Company. Additionally, members have the right under section 338A of the Companies Act 2006 to require the Company to include a matter (other than a proposed resolution) in the business to be dealt with at the annual general meeting. The Company is required to give such notice of a resolution or include such matter once it has received requests from members representing at least 5% of the total voting rights of all the members who have a right to vote at the annual general meeting or from at least 100 members with the same right to vote who hold shares in the Company on which there has been paid up an average sum per member of at least £100. This request must be received by the Company not later than six weeks before the annual general meeting or, if later, the time at which notice is given of the annual general meeting. In the case of a request relating to section 338A of the Companies Act 2006, the request must be accompanied by a statement setting out the grounds for the request.
15. Except as provided above, members who wish to communicate with the Company in relation to the AGM should do so in writing to the Company Secretary at the registered office address or at: [pmgr@linkgroup.co.uk](mailto:pmgr@linkgroup.co.uk). No other methods of communication will be accepted. In particular you may not use any electronic address provided either in this notice of meeting or in any related documents to communicate with the Company for any purposes other than those expressly stated.
16. The following documents will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and UK public holidays excepted) up to and including the date of the Annual General Meeting and at the place of the Annual General Meeting from 15 minutes prior to its commencement until its conclusion:
  - copies of the Directors' letters of appointment;
  - a copy of the Memorandum and Articles of Association of the Company; and
  - the Annual Report and Accounts for the year ended 31 December 2021.

## Notes to the Notice of Annual General Meeting continued

17. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
18. A copy of this notice, and other information required by s311A of the Companies Act 2006, is available at the Investment Manager's website: <https://www.globalrenewablestrust.com/>

# Directors and Advisers

## Directors

Gillian Nott OBE – Chairman

Melville Trimble – Chairman of the Audit Committee

Victoria Muir – Chairman of the Remuneration Committee

## Alternative Investment Fund Manager ("AIFM")

Premier Portfolio Managers Limited  
Eastgate Court  
High Street  
Guildford  
Surrey GU1 3DE

Telephone: 01483 306 090

[www.premiermiton.com](http://www.premiermiton.com)

Authorised and regulated by the Financial Conduct Authority

## Investment Manager

Premier Fund Managers Limited  
Eastgate Court  
High Street  
Guildford  
Surrey GU1 3DE

Telephone: 01483 306 090

[www.premiermiton.com](http://www.premiermiton.com)

Authorised and regulated by the Financial Conduct Authority

## Secretary and Registered Office

Link Company Matters Limited  
6th floor  
65 Gresham Street  
London EC2V 7NQ

## Registrar

Link Group  
The Registry  
10th Floor  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

Telephone: 0371 664 0300

Overseas: +44 (0) 371 664 0391

E-mail: [shareholderenquiries@linkgroup.co.uk](mailto:shareholderenquiries@linkgroup.co.uk)

[www.signalshares.com](http://www.signalshares.com)

## Depository

Northern Trust Investor Services Limited\*

50 Bank Street  
Canary Wharf  
London E14 5NT

*\*Changed 27 November 2021, previously Northern Trust Global Services SE, UK branch*

Authorised by the Prudential Regulation Authority ("PRA")  
and regulated by the FCA and PRA

## Custodian

The Northern Trust Company\*  
50 Bank Street  
Canary Wharf  
London E14 5NT

*\*Changed 27 November 2021, previously Northern Trust Global Services SE, UK branch*

## Auditor

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh EH1 2EG

## Tax Advisor

Crowe U.K. LLP  
55 Ludgate Hill  
London EC4M 7JW

## Stockbroker

Singer Capital Markets  
One Bartholomew Lane  
London EC2N 2AX

Telephone: 0207 496 3000

## Ordinary Shares

SEDOL 3353790GB  
LSE PMGR

## Zero Dividend Preference Shares

SEDOL BNG43G3GB  
LSE PMGZ

## Global Intermediary Identification Number

GIIN W659MG.00000.LE.826

