GREENCOAT
UK WIND

Greencoat UK Wind PLC
Initial Report and Accounts
For the period from 4 December 2012 to 30 June 2013

Registered Company Number 08318092

CONTENTS

Greencoat UK Wind PLC

COMPANY INFORMATION

Directors (all non-executive)
Tim Ingram (Chairman) *(appointed 4 December 2012)*
Shonaid Jemmett-Page *(appointed 4 December 2012)*
William Rickett C B *(appointed 4 December 2012)*
Kevin McCullough *(appointed 1 July 2013)*
Dan Badger *(appointed 1 July 2013)*

Registered Office
27-28 Eastcastle Street
London
W1W 8DH

Investment Manager
Greencoat Capital LLP
Greencoat House
15 Francis Street
London
SW1P 1DH

Administrator and Company Secretary
Heritage Administration Services Limited
The Innovation Centre
Northern Ireland Science Park
Queen's Road
Belfast
BT3 9DT

Registrar
Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Registered Auditor
BDO LLP
55 Baker street
London
W1U 7EU

Legal adviser
Norton Rose LLP
3 More London Riverside
London
SE1 2AQ

Broker
RBC Capital Markets
2 Swan Lane
London
EC4R 3BF

Broker
Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London
E14 4BB

Broker
Winterflood Securities Limited
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London
EC4R 2GA

Greencoat UK Wind PLC

CHAIRMAN'S STATEMENT

The Chairman presents the Initial Report and Accounts for the period from 4 December 2012 to 30 June 2013

General
Greencoat UK Wind PLC (the "Company") was incorporated on 4 December 2012 and its shares were admitted to trading on the London Stock Exchange's main market for listed securities on 27 March 2013

Principal activities
The Company is an investment fund with an indefinite life The Company's investment objective is to invest in operating UK wind farms

Structure
The Company will make its investments via a fund structure which includes the Company, Greencoat UK Wind 1 LLP ("LLP"), a limited liability partnership of which the Company and the Investment Manager are the members, and Greencoat UK Wind Holdco Limited ("Holdco"), a wholly-owned subsidiary of LLP Holdco invests in Special Purposes Vehicles ("SPVs"), which hold the underlying wind farms assets

Financial Results
The results for the period are set out on page 6 The Directors intend to declare a total dividend of £3 9 million (1 5 pence per share) following delivery of this Initial Report and Accounts for the period ended 30 June 2013 to Companies House

Going Concern
As at 30 June 2013, the Company had net assets of £263 0 million and, together with cash held in its subsidiaries, it has sufficient cash balances to meet current obligations as they fall due and to continue to meet day-to-day liquidity needs

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company For this reason they adopt the going concern basis in preparing the Initial Report and Accounts

Tim Ingram, Chairman
18 August 2013

Greencoat UK Wind PLC

CHAIRMAN'S STATEMENT

The Chairman presents the Initial Report and Accounts for the period from 4 December 2012 to 30 June 2013

General
Greencoat UK Wind PLC (the "Company") was incorporated on 4 December 2012 and its shares were admitted to trading on the London Stock Exchange's main market for listed securities on 27 March 2013

Principal activities
The Company is an investment fund with an indefinite life The Company's investment objective is to invest in operating UK wind farms

Structure
The Company will make its investments via a fund structure which includes the Company, Greencoat UK Wind 1 LLP ("LLP"), a limited liability partnership of which the Company and the Investment Manager are the members, and Greencoat UK Wind Holdco Limited ("Holdco"), a wholly-owned subsidiary of LLP Holdco invests in Special Purposes Vehicles ("SPVs"), which hold the underlying wind farms assets

Financial Results
The results for the period are set out on page 6 The Directors intend to declare a total dividend of £3 9 million (1 5 pence per share) following delivery of this Initial Report and Accounts for the period ended 30 June 2013 to Companies House

Going Concern
As at 30 June 2013, the Company had net assets of £263 0 million and, together with cash held in its subsidiaries, it has sufficient cash balances to meet current obligations as they fall due and to continue to meet day-to-day liquidity needs

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and do not consider there to be any threat to the going concern status of the Company For this reason they adopt the going concern basis in preparing the Initial Report and Accounts

Tim Ingram, Chairman
18 August 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Initial Report and Accounts in accordance with applicable law and regulations

The Directors have elected to prepare the Initial Report and Accounts in accordance with applicable law and the accounting policies set out in note 1

The Initial Report and Accounts are required by law to be properly prepared within the meaning of section 839 (4) of the Companies Act 2006

In preparing these Initial Report and Accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Initial Report and Accounts

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Initial Report and Accounts comply with the applicable laws and regulations They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

THE INVESTMENT MANAGER

The Investment Manager is responsible for the day to day management of the Company's investment portfolio in accordance with the Company's investment objective and policy, subject to the overall supervision of the Board

The investment management team experience covers ownership, financing and management of wind farm projects both offshore and onshore and investment in renewable energy infrastructure

The Investment Manager is authorised and regulated by the Financial Conduct Authority

As at 30 June 2013 Holdco has invested in six wind farms

	Location	Shareholding
Braes of Doune	Scotland	50%
Tappaghan	Northern Ireland	100%
Bin Mountain	Northern Ireland	100%
Carcant	Scotland	100%
Little Cheyne Court	England	41%
Rhyl Flats	North Wales (offshore)	24 95%

REPORT OF THE INDEPENDENT AUDITOR TO THE DIRECTORS OF GREENCOAT UK WIND PLC UNDER SECTION 839(5) OF THE COMPANIES ACT 2006

We have examined the initial accounts of Greencoat UK Wind for the period from 4 December 2012 to 30 June 2013 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes The initial accounts have been prepared under the accounting policies set out therein

This report is made solely to the Company's Directors, as a body, in accordance with section 839(5) of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's Directors those matters that 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's Directors, as a body, for our audit work, for this report, or for the opinions that we have formed

Respective responsibilities of Directors and auditors

As described in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the initial accounts in accordance with applicable law and the accounting policies set out in note 1

Our responsibility is to report to you our opinion as to whether the initial accounts have been properly prepared within the meaning of section 839(4) of the Companies Act 2006

Opinion

In our opinion the initial accounts for the period from 4 December 2012 to 30 June 2013 have been properly prepared within the meaning of section 839(4) of the Companies Act 2006

BDO LLP

For and on behalf of BDO LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
18 August 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Greencoat UK Wind PLC

STATEMENT OF COMPREHENSIVE INCOME

For the period from 4 December 2012 to 30 June 2013

	Note	For the period 4 December 2012 to 30 June 2013 £
Income		
Management fee		200,000
Change in fair value of investments	7	8,357,948
Total Income		**8,557,948**
Operating expenses	4	(919,812)
Profit for the period before tax		**7,638,136**
Taxation	5	-
Profit for the period after tax		**7,638,136**
Profit and total comprehensive income for the period		**7,638,136**
Profit and total comprehensive income attributable to:		
Equity holders of the Company		**7,638,136**
Total comprehensive income attributable to:		
Equity holders of the Company		**7,638,136**
Earnings per share		
Basic and diluted profit from continuing operations and profit from the period (pence)	6	**2.94**

Registered Company Number: 08318092

All results are derived from continuing operations

The accompanying notes on pages 10 to 19 are an integral part of this Initial Report and Accounts

Greencoat UK Wind PLC

STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note	As at 30 June 2013 £
Non current assets		
Investments	7	263,157,948
		263,157,948
Current assets		
Other receivables	8	585,122
Cash at bank		1,000
		586,122
Current liabilities		
Other payables	9	(789,487)
Net current liabilities		**(203,365)**
Total assets less current liabilities		**262,954,583**
Net assets		**262,954,583**
Capital and reserves		
Called up share capital	10	2,601,373
Other distributable reserves		252,715,074
Profit and loss account		7,638,136
Total Shareholders' funds		**262,954,583**
Net assets per share (pence)	11	**101.1**

The Initial Report and Accounts was approved by the Board of Directors on 18 August 2013

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 10 to 19 are an integral part of this Initial Report and Accounts

Greencoat UK Wind PLC

STATEMENT OF FINANCIAL POSITION
As at 30 June 2013

	Note	As at 30 June 2013 £
Non current assets		
Investments	7	263,157,948
		263,157,948
Current assets		
Other receivables	8	585,122
Cash at bank		1,000
		586,122
Current liabilities		
Other payables	9	(789,487)
Net current liabilities		**(203,365)**
Total assets less current liabilities		**262,954,583**
Net assets		**262,954,583**
Capital and reserves		
Called up share capital	10	2,601,373
Other distributable reserves		252,715,074
Profit and loss account		7,638,136
Total Shareholders' funds		**262,954,583**
Net assets per share (pence)	11	**101.1**

The Initial Report and Accounts was approved by the Board of Directors on 18 August 2013.

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 10 to 19 are an integral part of this Initial Report and Accounts.

Greencoat UK Wind PLC

STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	As at 30 June 2013 £
Non current assets		
Investments	7	263,157,948
		263,157,948
Current assets		
Other receivables	8	585,122
Cash at bank		1,000
		586,122
Current liabilities		
Other payables	9	(789,487)
Net current liabilities		**(203,365)**
Total assets less current liabilities		**262,954,583**
Net assets		**262,954,583**
Capital and reserves		
Called up share capital	10	2,601,373
Other distributable reserves		252,715,074
Profit and loss account		7,638,136
Total Shareholders' funds		**262,954,583**
Net assets per share (pence)	11	**101.1**

The Initial Report and Accounts was approved by the Board of Directors on 18 August 2013

Tim Ingram
Chairman

Shonaid Jemmett-Page
Director

The accompanying notes on pages 10 to 19 are an integral part of this Initial Report and Accounts

Greencoat UK Wind PLC

STATEMENT OF CHANGES IN EQUITY

For the period from 4 December 2012 to 30 June 2013

	Note	Share capital	Share premium	Other distributable reserves	Retained earnings	Total
		£	£	£	£	£
Opening net assets attributable to Shareholders		-	-	-	-	-
Issue of share capital	10	2,601,373	257,533,105	-	-	**260,134,478**
Share issue costs	10	-	(4,818,031)	-	-	**(4,818,031)**
Cancellation of share premium account	10	-	(252,715,074)	252,715,074	-	-
Profit and total comprehensive income for the period		-	-	-	7,638,136	**7,638,136**
Closing net assets attributable to Shareholders		**2,601,373**	**-**	**252,715,074**	**7,638,136**	**262,954,583**

The share premium account was cancelled by a court order dated 5 June 2013 The amount standing to the credit of the share premium account of the Company less any issue expenses set off against the share premium account was cancelled and credited to distributable reserves This amount shall be capable of being applied in any manner in which the Company's profits available for distribution as determined in accordance with the Companies Act 2006 are able to be applied

The accompanying notes on pages 10 to 19 are an integral part of this Initial Report and Accounts

Greencoat UK Wind PLC

STATEMENT OF CASH FLOWS

For the period from 4 December 2012 to 30 June 2013

	Note	For the period 4 December 2012 to 30 June 2013 £
Net cash from operating activities	12	**(380,969)**
Cash flows from investing activities		
Loans advanced to group companies		(254,800,000)
Net cash outflow from investing activities		**(254,800,000)**
Cash flows from financing activities		
Issue of share capital		260,000,000
Share issue costs		(4,818,031)
Net cash inflow from financing activities		**255,181,969**
Cash and cash equivalents at the end of the period		**1,000**

The accompanying notes on pages 10 to 19 are an integral part of this Initial Report and Accounts

1. Significant accounting policies

The Initial Report and Accounts covers the initial accounts of the Company for the period from 4 December 2012, being the date of the Company's incorporation, to 30 June 2013 The Initial Report and Accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS") to the extent that they have been adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies under IFRS The principal accounting policies applied in the preparation of this Initial Report and Accounts are set out below These policies have been consistently applied throughout the current period, unless otherwise stated

Basis of preparation

The Initial Report and Accounts have been properly prepared (save for areas not material to the proposed dividend) in accordance with sections 395 to 397 of the Companies Act 2006 and filed at Companies House prior to declaring the dividend The Initial Report and Accounts are presented in Sterling, the Company's functional currency

The Initial Report and Accounts have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to offset the recognised amounts and the Company intends to settle on a net basis or realise the asset and liability simultaneously

Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics

All financial assets are initially recognised at fair value All purchases of financial assets are recorded at trade date, being the date on which the Company became party to the contractual requirements of the financial asset

The Company has not classified any of its financial assets as Held to Maturity or as Available for Sale

The Company's financial assets comprise of only loans and receivables and investments held at fair value through profit or loss

1. Significant accounting policies (continued)

Financial assets (continued)

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

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

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

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

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction The Board base the fair value of the investments on information received from the Investment Manager

Fair value is calculated on an unlevered, discounted cash flow basis

Gains or losses resulting from the revaluation of investments are recognised in profit or loss for the period

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

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

1. Significant accounting policies (continued)

Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into

All financial liabilities are initially recognised at fair value net of transaction costs incurred All financial liabilities are recorded on trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values

The Company's financial liabilities consist of only financial liabilities measured at amortised cost including trade and other payables and other short-term monetary liabilities Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled Any gain or loss on de-recognition is taken to the statement of comprehensive income

Capital

Financial instruments issued by the Company are treated as equity if the holder has only a residual interest in the assets of the Company after the deduction of all liabilities The Company's ordinary shares are classified as equity instruments

The Company considers its capital to comprise ordinary share capital, distributable reserves and retained earnings The Company is not subject to any externally imposed capital requirements

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from proceeds

Incremental costs include those incurred in connection with the placing and admission which include fees payable under the Placing Agreement, legal costs and any other applicable expenses

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, deposits held on call with banks and other short-term highly liquid deposits with original maturities of three months or less, that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date Foreign exchange differences arising on translation are recognised in the statement of comprehensive income

1. Significant accounting policies (continued)

Share based payments

The Company issues shares to the Investment Manager in exchange for receiving investment management services The fair value of the investment management services received in exchange for shares is recognised as an expense at the time at which the investment management fees are earned, with a corresponding increase in equity The fair value of the investment management services is calculated by reference to the definition of investment management fees in the Investment Management Agreement Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions regardless of how the equity instruments are obtained by the Company

Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's obligation to make the payment has been determined

Income recognition

Management fee income is accounted for on an accruals basis

Interest income has been accounted for on an accruals basis using the effective interest rate method

Dividend income and share of LLP profits is recognised when the Company's right to receive payment has been established

Changes in the fair value of investments arise from the movement in the fair value of investments excluding the movements shown as dividends and interest above

Expenses

Expenses are accounted for on an accruals basis

Formation fees are those necessary for the establishment of the Company and are taken to the Statement of Comprehensive Income in the period in which they are incurred

Share issue expenses of the Company directly attributable to the issue and listing of shares are charged to the share premium account

Taxation

Under the current system of taxation in the UK, the Company is liable to taxation on its operations in the UK

Current tax is the expected tax payable on the taxable income for the period, using tax rates that have been enacted or substantively enacted at the date of the statement of financial position date

NOTES TO THE INITIAL REPORT AND ACCOUNTS
For the period from 4 December 2012 to 30 June 2013

1. Significant accounting policies (continued)

Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the Initial Report and Accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit Deferred tax liabilities are recognised for taxable temporary differences arising on investments, except where the Company is able to control the timing of the reversal of the difference and it is probable that the temporary difference will not reverse in the foreseeable future Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax is charged or credited to the Statement of Comprehensive Income except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis Deferred tax assets and liabilities are not discounted

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements Estimates, by their nature, are based on judgement and available information

The assumptions used in determining whether the Company satisfies the criteria to be regarded as an investment entity are disclosed in note 1

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments

The key assumptions that have a significant impact on the carrying value of investments that are valued, by reference to the discounted value of future cash flows of the underlying wind farm assets are the useful life of the assets, the discount factor, the rate of inflation, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce

Useful lives are based on the Investment Manager's estimates of the period over which the assets will generate revenue which are periodically reviewed for continued appropriateness Changes in estimates can result in significant variations in the carrying value and amounts charged or credited to the Consolidated Statement of Comprehensive Income in specific periods

The estimated useful life of wind farm assets is 25 years However, the actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset

NOTES TO THE INITIAL REPORT AND ACCOUNTS
For the period from 4 December 2012 to 30 June 2013

2. Critical accounting judgements, estimates and assumptions (continued)

The discount factor is subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different value The discount factor applied to the cash flows is reviewed annually by the Investment Manager to ensure it is set at the appropriate level The Investment Manager will take into consideration market transactions, where of similar nature, when considering changes to the discount factor used

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and the revenue received from the Government support regime Although the proportion of the power price the Company receives under the PPA is fixed, the power price is not Future prices are estimated using external third party forecasts which take the form of specialist consultancy reports The future power price assumptions will be reviewed as and when these forecasts are updated There is an inherent uncertainty in future wholesale electricity price projection

Specifically commissioned external reports are used to estimate the expected electrical output from the wind farm assets taking into account the expected average wind speed at each location and generation data from historical operation The actual electrical output may differ considerably from that estimated in such a report mainly due to the variability of actual wind to that modelled in any one period Assumptions around electrical output will be reviewed only if there is good reason to suggest there has been a material change in this expectation

3. Investment management fees

Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a combination of a cash fee (the "Base Fee") and ordinary shares ("Equity Element") from the Company

The Base Fee shall be paid quarterly in advance except for the first part quarter which is the period from 27 March to 31 March 2013 The amount of Base Fee shall be equal to £275,000 per quarter The Base Fee for the first part quarter is the appropriate pro rated amount

The Equity Element delivered to the Investment Manager quarterly in advance (except for the first part quarter) shall have a value as set out below

- on that part of the then most recently announced Net Asset Value up to and including £500 million, 0 25 x 0 2 per cent , and
- on that part of the then most recently announced Net Asset Value over £500 million up to and including £1,000 million, 0 25 x 0 1 per cent

The Equity Element for the first part quarter is the appropriate pro rated amount The ordinary shares issued to the Investment Manager under the equity element are subject to a three year lock up

NOTES TO THE INITIAL REPORT AND ACCOUNTS
For the period from 4 December 2012 to 30 June 2013

Investment Management fees paid in the period were as follows

	First Part Quarter	Quarter 2	Total
	£	£	£
Base fee	15,277	275,000	**290,277**
Value of equity element	7,078	127,400	**134,478**
Total	22,355	402,400	**424,755**

4. Operating expenses

	For the period 4 December 2012 to 30 June 2013
	£
Management fees (note 3)	424,755
Formation fees	302,278
Non executive Directors' fees	62,500
Administration fees	37,500
Fees to the Company's auditor	
For audit related services pursuant to legislation	23,900
Other expenses	68,879
	919,812

5. Taxation

Taxable income during the period was offset by management expenses and the tax charge for the period ended 30 June 2013 is £nil

NOTES TO THE INITIAL REPORT AND ACCOUNTS
For the period from 4 December 2012 to 30 June 2013

6. Earnings per share

	For the period 4 December 2012 to 30 June 2013
Profit attributable to equity holders of the Company	7,638,136
Weighted average number of ordinary shares in issue	260,115,655
Basic and diluted profit from continuing operations and profit from the period (pence)	**2.94**

There was no income earned between 4 December 2012 and 27 March 2013, therefore this period has not been included for the purpose of calculating the weighted average number of shares above

There are no dilutive shares in issue

7. Investments at fair value

	Loan	LLP profit participation interest	Total
Opening balance	-	-	-
Additions	254,800,000	-	254,800,000
Movement in fair value of investments	-	8,357,948	8,357,948
	254,800,000	**8,357,948**	**263,157,948**

8. Other receivables

	As at 30 June 2013
	£
Prepayments	10,224
Management fee receivable	200,000
Other receivables	374,898
	585,122

The Company has a Management Services Agreement with Holdco and receives £800,000 per annum in relation to management and administration services

NOTES TO THE INITIAL REPORT AND ACCOUNTS
For the period from 4 December 2012 to 30 June 2013

9. Other payables

	As at 30 June 2013
	£
Payable to Holdco	679,693
Other payables	109,794
	789,487

Durıng the perıod, operatıng expenses, VAT and certaın formatıon and ıssue costs amountıng to £679,693 were paıd by Holdco on behalf of the Company

10. Share Capital

Date	Issued and fully paid	Number of shares issued	Share capital	Share premium	Total
			£	£	£
27-Mar-2013	Subscrıber shares - Issued at £0 01	100	1	-	1
27-Mar-2013	Capıtal raıse - ıssued at £1 00	260,000,000	2,600,000	257,400,000	260,000,000
11-Apr-2013	Equıty element of Investment Management Fee - Issued at £0 98	137,222	1,372	133,105	134,477
		260,137,322	2,601,373	257,533,105	260,134,478
27-Mar-2013	Less share ıssue costs	-	-	(4,818,031)	(4,818,031)
05-Jun-2013	Cancellatıon of share premıum account	-	-	(252,715,074)	(252,715,074)
		260,137,322	**2,601,373**	**-**	**2,601,373**

As at 30 June 2013 the Company's ıssued share capıtal comprıses 260,137,322 ordınary shares

Shareholders are entıtled to all dıvıdends paıd by the Company and, on a wındıng up, provıded the Company has satısfıed all of ıts lıabılıtıes, the Shareholders are entıtled to all of the surplus assets of the Company

Pursuant to the terms of the Investment Management Agreement, the Investment Manager wıll receıve ordınary shares as part payment of ıts Investment Management Fee (the "equıty element") as dısclosed ın note 3

NOTES TO THE INITIAL REPORT AND ACCOUNTS
For the period from 4 December 2012 to 30 June 2013

11. Net Assets per share

	As at 30 June 2013
Net assets	262,954,583
Number of ordinary shares issued	260,137,322
Total net assets - pence	**101.1**

12. Reconciliation of operating profit for the period to net cash used in operating activities

	For the period 4 December 2012 to 30 June 2013
	£
Operating profit for the period	7,638,136
Adjustments for non cash movements:	
Change in fair value of financial assets at fair value	(8,357,948)
Increase in other receivables	(585,122)
Increase in other payables	789,487
Equity element of Investment Managers fee (note 3)	134,478
Net cash from operating activities	**(380,969)**

13. Ultimate controlling party

In the opinion of the Directors, on the basis of the shareholdings advised to them, the Company has no ultimate controlling party